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THE JERUSALEM POST

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Compromis details are revealed

Israel to submit two versions of Taba border

By ASHER WALLFISH
Post Knesset Correspondent

Israel will submit two alternative versions of the Taba border demarcation to the arbitration tribunal on the disputed area, *The Jerusalem Post* has learned. Egypt will submit one version.

While the tribunal, as the *compromis* arbitration document calls the five-member panel, has not yet been constituted, the official text of the *compromis* which Israel and Egypt agreed upon, and which the inner cabinet last Wednesday endorsed by a majority of eight to two, spells out three versions of the course of the border, one Egyptian and two Israeli.

The *compromis* text says explicitly that Israel has indicated on the ground two alternative locations: one at "the granite knob" and the second at "Bir Taba". It says that Egypt has indicated a single location, at the point where it maintains that the remnants of the boundary pillar can still be found.

Israel is understood to have suggested two alternative courses for the border because, in the course of research and investigation, it has collected evidence to back up both of them.

The 1906 agreement signed between Turkey and Egypt, when Turkey ruled Palestine, says that the border goes through "the point of Ras Taba on the western shore of the Gulf of Akaba."

Some maps of the region show a promontory marked "Ras Taba" and some the same promontory marked "Ras el Masri," as does the ordnance survey map prepared by the British Mandatory government, and reprinted by the Israel government survey department for general use.

The 1948-49 armistice line between Israel and Egypt runs northeast of this promontory, however.

(Continued on Page 2, Col. 3)



Soviet Jewish activists chain themselves in a row across Jerusalem's King George Street yesterday morning and demand that Israel insist that the question of emigration of Soviet Jews be at the top of the agenda in the Helsinki talks. Story on page 4. (Scoop 80)

Strict secrecy at Helsinki on eve of Israel-Soviet talks

By BENNY MORRIS
Post Diplomatic Correspondent

HELSINKI. – A thick veil of secrecy, apparently dictated by security considerations and by Soviet, Finnish and Israeli sensibilities, shrouded yesterday's countdown to the Russian-Israeli talks, which are due to open here this morning.

Israeli and Finnish officials last night declined to name the building in the Finnish government compound in downtown Helsinki where the talks are to be held, and were unable to tell photographers through which entrance the delegations were expected to arrive at the meeting.

Israeli officials here refused to confirm the arrival and presence here of Hanan Bar-On, the assistant director-general of the Foreign Ministry, who is expected to oversee and coordinate the Israeli delegation's performance.

The delegation, led by Yehuda Horam, the director of the Foreign Ministry's Eastern European Affairs Department, has been granted no wider mandate or powers than to hear out the Soviets and to present Israel's views on Soviet Jewish emigration and Middle East policies. Bar-On's presence was apparently considered necessary in case the Soviets should make proposals that would require on-the-spot decision-making by the Israelis.

Israeli officials here expected the Soviet delegation, due in last night, to arrive also with a "semi-detached *eminence gris*," as one source put it. The Soviet delegation is to be headed by two relatively minor officials (deputy department directors) Gennih Plihin and Nikolai Tihomirov. They also, it is believed, have received a very narrow mandate from their government.

See related stories on Page 2.

Apparently due to their desire to downplay the whole affair, the Soviets yesterday refused any "photo opportunity" either separately or with the Israeli delegation at the start of today's talks. Israeli officials, however, remain hopeful that the Soviet delegation, after the talks begin, will eventually allow the event to be recorded on film.

The two delegations are to begin this morning with a discussion about the agenda and timetable for the two days of talks.

Briefing newsmen last night, Foreign Ministry deputy spokesman Ehud Gol said that the delegation will "raise the subjects" decided upon by Prime Minister Peres and Foreign Minister Shamir earlier this month – namely, Jewish emigration from the Soviet Union and Soviet policy in the Middle East. Gol said that he assumed that the Soviets would speak in the talks in Russian and that the Israelis would speak in Hebrew.

Security around the government compound is expected to be very tight, as it has been around the Israelis here in recent days. "The Finns know of every stranger arriving or present in the country," said one source, noting that, in part because of Finland's geopolitical situation, Finland maintains a very watchful eye over foreigners entering and leaving the country.

A possible light on Soviet attitudes was probably afforded yesterday in the independent daily *Helsingin Sanomat*. Its Moscow correspondent, Mikko Eronen, wrote: "The Kremlin does not wish to hear a single word about the entire 'Jewish policy' because, officially, there is no such thing."

No decision on Defence Ministry

Cabinet agrees to slash budget by NIS 320m.

By AVI TEMKIN
Post Economic Reporter

The state budget will be axed by NIS320 million, the cabinet decided last night, excluding the budget of the Defence Ministry.

Prime Minister Peres, Defence Minister Rabin and Finance Minister Nissim have yet to determine how much the defence budget will be slashed.

Nissim welcomed the cabinet's decision and said it gave hope for a continuation of economic stability. He said that the Treasury will now start planning a reform in the capital market and the tax system.

The cabinet decided that until each ministry presents a detailed plan on the implementation of the cuts there will be a 75 per cent freeze on their contracts.

Nissim declared that the freeze would not affect any commitment dealing with the opening of the school year, the defence system, the Housing Ministry and development budgets.

According to the Finance Ministry there is no need to impose a freeze on such items since the Treasury can control these budgets through the authorizations of the accountant-general, and thus can impose cuts at source.

The cabinet also decided that there would be no adjustments to the budget for price increases. There will be a ban on price indexation on short-term purchase contracts signed by the government.

Peres, Rabin and Nissim decided last week that the defence budget would be cut by NIS100 m., instead of NIS155m. as proposed by the Treasury. But yesterday even this compromise was rejected by Rabin, and this necessitated separating the defence budget cuts from the others.

Nissim said after the meeting he was confident that eventually the cut in the defence budget would not be smaller than the one agreed with Peres and Rabin last week. He added that the Treasury would refuse to discuss Rabin's demand to add NIS92m. to his ministry budget as compensation for the falling purchasing power of the dollars the defence industries receive to finance their projects.

Five ministers voted against the proposal to cut the civilian ministries' budgets by 3.9 per cent, while 14 supported the proposal and five abstained. Voting against the cuts were Police Minister Haim Bar-Lev, Health Minister Mordechai Gur, Education Minister Yitzhak Navon and Industry Minister Ariel Sharon. Labour Minister Moshe Katsav, who is abroad, voted against the cuts through Housing Minister David Levy. Gur said he was voting against because the defence budget would not be discussed at the cabinet.

(Continued on Page 2, Col. 3)

Navon fears for cultural grants

By BERNARD JOSEPHS
Jerusalem Post Reporter

Museums, theatres, orchestras and youth movements face major budget cuts, Education Minister Yitzhak Navon said last night.

Navon, speaking at the end of the cabinet meeting on the budget, said that the Education Ministry would have no choice but to slash grants to such organizations in the face of a demand to cut education spending by 3.9 per cent.

The minister said: "It's very sad, but I don't see any other way we can meet the Treasury's demands."

Navon said that 3 per cent would come from the ministry's reserves designed to meet cost increases. "We'll just have to pray that prices don't go up, because if they do, we'll have nothing with which to meet the situation," he said.

The other 0.9 per cent, or about $9 million, would come from a sharp reduction in grants, the minister said. He named orchestras, theatres, youth movements, organizations such as the Society for the Preservation of Nature, and museums such as Yad Vashem and the Diaspora Museum, as institutions from which his ministry might have to withdraw a large part of its support.

Navon said he hoped for a further discussion with the Finance Ministry over the cut, which he said would "severely damage" cultural life in Israel.

"The decision to cut the education budget is very sad and a bad mistake. We were talking tonight about the economy, but no one apart from me pointed out that learning is an indispensable investment in the future."

Navon said that because 95 per cent of the Education Ministry's budget was tied up in wages, in the purchase of vital supplies and in the busing of pupils under the schools' integration programme, there was no flexibility which would allow for large-scale cuts without profoundly damaging the education system.

The minister said that at this stage he was not considering resigning from his post – despite reports that he had not been prepared to cut his ministry's budget to the extent demanded by the Treasury.

Lea Levavi adds:

Earlier in the day, the Secondary School Teachers Association threatened to use "all legal and public means at our disposal" to fight cuts in the education budget.

The association, apparently assuming that the ministry would try to reduce classroom hours, indicated that it would accept neither dismissals nor cuts in teachers' work loads and pay.

The Histadrut Teachers Union also said it opposed cuts. But it took a more moderate line, assuming that teachers' labour contracts would prevent firings so close to the opening of the school year.

Water cut to wayward cities

By MENACHEM SHALEV
For The Jerusalem Post

Mekorot, the national water company, seeking to arrest the depletion of the country's water reserves, yesterday clamped down on overindulgent cities and towns.

On orders from the Water Forum – which includes top Agriculture Ministry officials headed by Deputy Minister Avraham Katz-Oz – the company reduced water supplies to cities which had defied orders issued by the government last March to reduce water consumption by 10 per cent.

One of the hardest-hit towns was Beit She'an, where residents were without water for most of the day yesterday.

The Health Ministry on Friday warned of the risk of contamination in case of a complete stoppage of water. But yesterday the ministry removed its objections when Mekorot officials said that they had no intention of drying up water pipes, but only of reducing the hourly supply.

Water Commissioner Zemah Ishai told *The Jerusalem Post* last night that "the time for persuasion is over. We must enforce the law, or our wells will dry up completely."

Ishai said that 30 per cent of municipal water consumption was allocated to public buildings and gardens, "and the mayors can reduce waste without causing undue suffering to the residents."

Ishai added that he was examining appeals by various cities. He said that water supplies to Haifa, for example, would return to normal this morning because the municipality had proved that it was cracking down on water wasters.

Uri Meir, deputy director-general of Mekorot, told *The Post* that the company "is being very lenient and cutting water only to those places that are using more water than last year, never mind the 10 per cent cut ordered by the government." Meir added that the reductions would continue "indefinitely."

Beit She'an residents complained that they had received no warning of its water reduction, and with temperatures in the high 90s the shortage of water had created serious problems.

Supplies were cut between 9:30 a.m. and 10 a.m. to one neighbourhood of Carmiel.

In contrast to Beit She'an, the residents of Carmiel learned of the possible cut the previous day and virtually all the town's inhabitants hoarded water by filling bathtubs, sinks and buckets.

Coalition dispute stymies diplomatic appointments

Jerusalem Post Reporter

Cabinet approval of 12 diplomatic postings, including the appointment of ambassadors, has been held up by a Likud-Alignment dispute over diplomatic posts for politicians.

Foreign Minister Yitzhak Shamir was unable to submit the list of postings to the cabinet yesterday because Alignment ministers on the appointments committee refused to cooperate unless their party got as many political appointments as the Likud.

The Foreign Ministry staff committee, meanwhile, is threatening sanctions, and accusing both major parties of distorting the professional nature of the foreign service.

Staff committee chairman Zvi Mazek said ministry workers would fight against all the political appointments because diplomatic posts abroad were not supposed to be prizes for party loyalty.

Shamir's abortive list of 12 included nine professional staffers, two Likud party members and one Alignment official.

Staffers say that the Alignment battle for parity would now mean four political appointments would be made – two each to the Likud and the Alignment.

Sioux chief due today for bar mitzva at Western Wall

Chief Little Sun Bordeaux of the Sioux Indians is to become a bar mitzva this Thursday at the Western Wall.

The 13-year-old chief, whose mother is Jewish, is to arrive in Israel this afternoon on an El Al flight from New York, an airline spokesman said.

The spokesman said Little Sun is the great-grandson of Chief Crazy Horse of the Oglala Sioux. Crazy Horse and another Sioux chief, Sitting Bull, massacred U.S. General George Custer and his forces on the banks of the Little Bighorn in a celebrated battle in 1876.

His mother, Armalona Greenfield, represents the third generation of Jewish women in her family to marry Sioux, the airline said. But to make sure that there would be no doubts of her Jewishness, she underwent Orthodox conversion.

Little Sun, whose Hebrew name is Shemesh Katan, observes both Judaism and his native Indian religion, according to the airline. He sometimes wears headfeathers during the week, but when he attends the Beth Shalom synagogue in Spokane, Washington, he wears a *kipa*.

EIGHT PAGES FROM SUNDAY'S
The New York Times
WEEKLY REVIEW
INSIDE TODAY

Sudan rebels shoot down airliner with 60 aboard

KHARTOUM (AP). – Sudanese rebels shot down a civilian plane carrying 57 passengers and three crew members as it took off from a southern provincial capital, the official Sudan News agency said yesterday.

Suna said there was no official casualty figure. But Egypt's Middle East News Agency quoted Sudan Airways officials as saying there was no sign of survivors.

The Sudanese agency said the Fokker Friendship was shot down Saturday morning by a SAM-7 as it took off from Malakal, 400 kilometres south of Khartoum in an area largely controlled by the Sudan Peoples' Liberation Army (SPLA).

SPLA radio monitored yesterday in Nairobi, made no mention of the incident. On Friday, however, the radio said the SPLA high command had ordered air defence units to "shoot down any aircraft flying over SPLA-controlled airspace."

In London, the BBC said a subsequent rebel broadcast had specified that the SPLA would attack planes carrying relief supplies to the south, where an estimated two million people face starvation because of food shortages brought on by the three-year-old rebellion. The relief flights have reportedly been suspended.

The rebels, who are primarily Christian and animist, are demanding regional autonomy, an end to Islamic law, and various social, political and economic reforms.

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	MIN. C	MIN. F	MAX. C	MAX. F	
AMSTERDAM	12	54	20	68	Cloudy
BRUSSELS	10	50	24	75	Cloudy
BUENOS AIRES	6	42	11	51	Cloudy
CHICAGO	19	66	31	88	Cloudy
COPENHAGEN	11	52	18	64	Cloudy
FRANKFURT	9	48	28	82	Clear
GENEVA	14	57	30	86	Clear
HELSINKI	12	54	16	68	Clear
HONGKONG	27	81	30	86	Cloudy
JOHANNESBURG	7	45	24	75	Clear
LISBON	16	61	26	79	Clear
LONDON	14	57	21	70	Cloudy
MADRID	13	55	37	99	Clear
MONTREAL	20	68	27	81	Cloudy
NEW YORK	22	71	28	82	Cloudy
OSLO	11	52	20	68	Cloudy
PARIS	15	59	25	77	Clear
RIO DE JANEIRO	19	66	30	86	Clear
SAO PAULO	15	59	19	66	Cloudy
STOCKHOLM	16	60	13	55	Rain
TOKYO	25	77	31	88	Cloudy
TORONTO	18	64	29	84	Cloudy
VIENNA	16	61	29	85	Clear
ZURICH	20	68	27	81	Clear

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THE WEATHER

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	52	19–28	28
Golan	35	19–31	31
Nahariya	81	23–31	30
Safad	88	23–30	29
Haifa Port	—	—	—
Tiberias	58	22–37	36
Nazareth	84	23–30	29
Afula	88	21–33	33
Shomron	49	22–31	33
Tel Aviv	47	21–30	29
B-G Airport	38	22–31	30
Jericho	57	22–39	38
Gaza	54	24–29	38
Beersheba	54	21–34	31
Eilat	47	28–41	39

SOCIAL & PERSONAL

Knesset Speaker Shlomo Hillel yesterday visited the Weizmann Institute of Science as the guest of its president, Prof. Aryeh Dvoretzky. On his arrival he met with the president and with Prof. Shmuel Shaltiel, senior vice president, Prof. Ze'ev Luz, vice president for academic affairs, and Mr. Gideon Elrom, vice president (finance and administration). During the course of his visit, he me with Profs. Israel Dostrovsky, Moshe Feldman, Ze'ev Fraenkel and Mordechai Magaritz. Also present at the luncheon hosted by the president were Profs. Ruth Arnon and Yadin Dudai, as well as Moshe Porath, chairman of the Institute's Executive Council.

Births

To Ron and Bosmat Shapiro of Kibbutz Degania Aleph, a son, at Poriya Hospital, Tiberias, on August 17, 1986. Grandson to Allan and Yoya Shapiro of Degania Aleph, and to Avishalom and Rivka Shnipper of Kibbutz Ashdot-Ya'acov (Ihud).

A daughter, to Eli and Linda Amar, sister to Hanan, on Sunday, August 17, 1986 at Hadassah Hospital, Ein Kerem, Jerusalem.

Katz laid to rest

Avraham Katz, the head of the Youth and Hehalutz department of the World Zionist Organization who died last week, while on a visit to Kenya, was laid to rest yesterday at Nes Ziona cemetery. The funeral procession left from Mt. Herzl in Jerusalem. Katz was born in Nes Ziona in 1931.

Katz, a Liberal Party MK from 1969 to 1980, was eulogized by several government leaders. Arye Dulzin, a fellow Liberal and head of the WZO, praised Katz as "a great mentor and example" to the Zionist movement. Finance Minister Moshe Nissim, Katz's close personal friend, also eulogized him. (Itim)

Correction

Transport Minister Haim Corfu is due to attend a transport convention in Morocco in December, and not as reported yesterday.

Beduin homes won't be demolished

By DAVID RUDGE
Jerusalem Post Reporter

TEL ADASHIM. – Homes scheduled for demolition in several Beduin villages in the north have been saved from the bulldozers, Yosef Ginat, Arab affairs adviser to Minister-without-Portfolio Ezer Weizman, announced here yesterday.

He disclosed that the government decided last week to enlarge areas designated for residential development in a number of these villages.

Many illegally-built homes are to be included in the new housing zones, thus making their owners eligible to apply for retroactive building and planning licences.

Ginat also revealed that the government had approved plans for the first regional comprehensive high school for the Beduin community in the north, to be built in Beit Zazir near Nahalal.

He was speaking to reporters while accompanying Chief of General Staff Rav-Aluf Moshe Levy on a visit to Beduin leaders to mark the Moslem feast of Id al-Adha. Scores of people attended the meeting, held at the Jezreel Vally regional council building here.

Ginat's announcement followed complaints by the Beduin that all they had received from the government were promises. "We want deeds, not words," they told Ginat and the CGS.

Levy had earlier praised the Beduin, saying the IDF greatly appreciated their contribution to the security of the state.

Their representatives responded that the sight of homes being knocked down and cattle chased off traditional grazing land by the Green Patrols was not the appropriate recompense for their loyalty and service.

They urged Levy to press the government to cancel all demolition orders against illegally built homes in their villages.

They also called for the appointment of a Beduin to deal with the problems of demobilized Beduin soldiers.

Levy agreed that the Jewish community did not always comprehend the problems of the Beduin. Similarly the Beduin faced difficulties in adapting to environmental and social changes, he said.

Nevertheless, he stressed that the problems are being dealt with and he expressed confidence that solutions would be found.

The Beduin are expected to raise the same issues with Minister-without-Portfolio Moshe Arens, who is to visit villages in the north today. Recently, Arens has been mentioned as a possible successor for the Arab affairs post currently held by Weizman after the rotation of the premiership in October.

Bush sends upbeat note to Peres

Jerusalem Post Reporter

U.S. Vice President George Bush sent a message last Friday to Prime Minister Peres sounding in a highly positive note in summing up his recent swing through Israel, Jordan and Egypt. The message, delivered to Peres by U.S. ambassador Thomas Pickering, said that during the past two years, Israel, Egypt and Jordan had evolved certain common concepts which formed a solid basis on which to build a Middle East peace.

Bush wrote that he was extremely satisfied that Israel and Egypt had reached agreement on the *compromis* document which they would submit to the Taba arbitration tribunal. This agreement would buttress relations between the two signatory countries, he wrote.

Soviets approached for vital Demjanjuk evidence

By BARBARA AMOUYAL
For the Jerusalem Post

State Attorney Yona Blattman has reportedly asked an American businessman to use his Soviet connections to obtain a key piece of evidence for use in the upcoming case against suspected Nazi war criminal John Demjanjuk, *The Jerusalem Post* has learned.

The American is Gil Glazer, who is here to conclude business on a Negev project with Energy Minister Moshe Shahal. Shahal confirmed last night that he had been instrumental in bringing Blattman and Glazer together. Glazer phoned former Soviet ambassador to Washington Anatoly Dobrynin from Jerusalem, it has been learned.

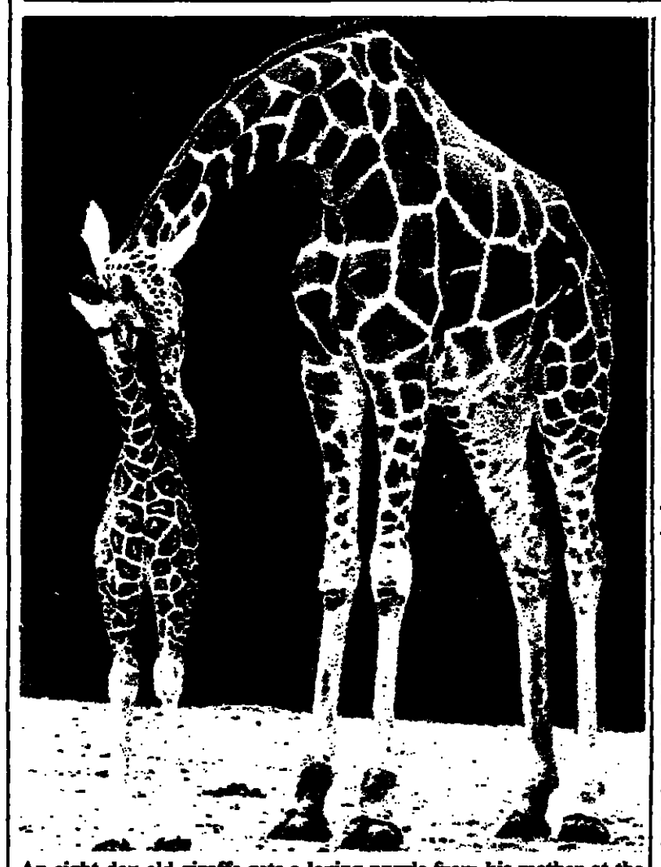
Glazer asked Dobrynin to aid Israeli prosecutors in their case against Demjanjuk, a former Red Army soldier considered a traitor to the Soviet Union because of his alleged involvement with the Nazis during World War II. Dobrynin was asked to secure, among other documents, the identification card allegedly issued to Demjanjuk at the Trawniki training camp in 1942. The ID card, signed by Trawniki camp commander Karl Streibl, reportedly includes a photograph of Demjanjuk, along with his full name, former address in the Ukraine, date of birth, identifying scars and father's name.

In a January 1980 visit to Moscow, officials of the U.S. Justice Department's Office of Special Investigations received then first deputy procurator-general of the Soviet Union Alexander Mikhailovich Rekunkov's pledge to aid OSI officials in bringing Nazi war criminals to trial.

Rekunkov allowed OSI officials, as well as defence attorneys, to travel freely about the Soviet Union to collect testimony on videotape for use in court. According to former OSI director Alan Ryan, the Soviet cooperation aided in the successful prosecution and eventual stripping of U.S. citizenship of some 14 Nazi war criminals in America.

State Attorney Blattman refused last night to confirm his meeting with Glazer and Shahal. He added that the Soviets were under no obligation, "diplomatic or moral," to aid Israeli prosecutors in their case against Demjanjuk.

Police Minister Haim Bar-Lev said yesterday in an Israel Radio interview that he was sure that Demjanjuk, awaiting charges in Ramle since his extradition from the U.S. last February, is "Ivan the Terrible," who guarded the gas chambers at Treblinka. Bar-Lev said that police have concluded their investigation and now prosecutors must "piece the case together" before charges are filed.



An eight-day-old giraffe gets a loving nuzzle from his mother at the Riverbanks Zoo in Columbia, South Carolina. (Reuter telephoto)

S. Africa investments deal renewed

By AVI TEMKIN
Post Economic Reporter

South Africans will be allowed to continue investing in Israel up to a maximum of 40 million rands (about $15m.) during the coming year, government sources said yesterday.

Agreement on the continuation of South African investment was reached during two days of economic talks held by Israeli officials in Pretoria last week.

The Finance Ministry said yesterday that the negotiations had dealt with credit lines for South African exports to Israel, fishing rights for Israeli boats in South African waters, and investments in Israel by South African citizens.

The Treasury stressed that the delegation had underlined the links between South African Jewry and Israel. The ministry said that in addition to talks with South African representatives, the Israelis met the heads of the Zionist Federation and members of the movement and the South Africa-Israel Chamber of Commerce.

Prof. Shlomo Avineri, a former director-general of the Foreign Ministry, said in an Israel TV interview last night that Israel should not have sent its delegation at a time when the entire Western world is considering curtailing its relations with South Africa.

"There is concern that the South African government is trying to use its commercial agreement with Israel to bypass a possible ban by some Western countries," he said.

Slain soldier's mother barred from protesting at suspect's home

BAKA AL-GHARBIYA (Itim). – The mother of slain IDF soldier Moshe Tamam had to be dragged from this village yesterday by police to prevent her demonstrating in front of the home of her son's alleged murderer.

Tamam's family was joined by Kach members, led by MK Meir Kahane, as they marked the second anniversary of Tamam's killing. When police barred them from entering the village, they blocked the main road.

Demonstrators sang *Hatikva* and carried placards that read "The blood of our brother calls out to us from the ground," and "The country disappoints its sons and releases its murderers."

Police had to use force to clear the road and dragged Galia Tamam through the bushes as she bore aloft a picture of her son and cried out: "Where were you on the night he was killed? They stabbed every limb on his body, and no one saw or heard. He lay on the ground in this hot August weather and now the police are preventing me from paying him one last honour."

Three Kach activists were arrested.

The family plans to hold a memorial ceremony in the Shomron where Tamam's body was found. His mother vowed that she would continue to return to this village on the future anniversaries of her son's death.

Four Israeli Arabs, residents of this village, were arrested earlier this year in the kidnap and murder of Tamam.

In Haifa, Halil Ahmad al-Turi, 20, a resident of Kassam village, was arrested on suspicion of selling arms to the terror ring believed responsible for the October 1985 murder of Akiva Shaltiel.

TABA BORDER

(Continued from Page One)

The promontory is within the present disputed Taba zone, which makes it clear that the 1906 boundary was southwest of the armistice line of 48-49.

The Arabic term "Ras" means hill or mountain as well as promontory. The "granite knob" referred to in one of the Israeli alternative borders not only fits in well with the term "Ras," but seems to be the basis of an official Egyptian government document made public some years after the Egypt-Turkey border agreement, which says explicitly that "the boundary is a conspicuous granite knob."

Israel has other evidence to back up its claim that the present fence separating the Taba zone from Sinai (erected in 1982 when the IDF withdrew) runs along the recognized international border, through a well called Bir Taba on the map, and through a palm tree oasis which existed before World War I and still exists.

If the tribunal were to find for the "granite knob" border location, the Sonesta Hotel and part of Rafi Nelson's holiday village would remain inside Israel, but not the bathing beach.

Article two of the *compromis* says that the tribunal is asked to decide the location of the boundary pillars of the recognized international boundary between Egypt and the former Mandate territory of Palestine, in accordance with the peace treaty, the April 25, 1982 agreement and the annexe to the *compromis*."

The annexe to the *compromis* notes that Israel and Egypt have each indicated on the ground their positions concerning the location of the boundary pillars.

Although one of the big arguments between Israel and Egypt during the *compromis* talks was whether the tribunal must decide where the border was, or where it should be, and although this phrasing was abandoned, the official text asking the tribunal to "decide the location" is seen in Jerusalem as being equivalent to "deciding where the border should be."

Jerusalem sees this as a request to the tribunal to perform a legal act, and not a technical act arising out of a surveyors' search.

The "remnants of the boundary pillar" on the 1948-49 armistice line are held by Israel to be building rubble and not the remains of the boundary pillar, as Egypt maintains.

CABINET

(Continued from Page One)

Nissim said that the Treasury would not tell the ministries how to implement the cuts. Nevertheless, he said, the ministries could prevent a cut in operations if they reduced their labour force.

Nissim stated that several of the ministers had proposed raising taxes instead of cutting the budget. He also said that several of the ministers had said such small cuts would not heal the economy, and it was therefore worthless discussing them. He added that he had told the ministers that 1987 would be a very difficult year, and this made it necessary to cut the budget.

During the cabinet meeting the ministers were warned by Bank of Israel Governor Michael Bruno that unless the budget was cut, Israel could follow in the steps of Argentina, whose stabilization plan was launched two weeks ahead of Israels, and which was now suffering a renewal of inflation.

Health and Finance Ministry officials agreed earlier yesterday that the wage negotiations between the government and the nurses will not be affected by last night's cut in the Health Ministry budget.

Ministry Director-General Dan Michaeli told *The Jerusalem Post* last night that "the Treasury agreed that we should be able to make a realistic offer to the nurses, and I hope that we can conclude the talks with them within a few days."

Michaeli said that NIS16.4 million would be cut from the ministry's budget, and NIS1.4m. from its development budget, "But I hope that we will be able to maintain our regular services."

Michaeli added that the government's agreement to aid the Histadrut's health fund, which is to be signed within a few days, would also not be affected by the budget cut.

Housing Ministry David Levy abstained on the budget cut yesterday, instead of voted against it, as he had indicated earlier, when he was assured that none of his ministry's building or development projects would be frozen.

Housing aid for young couples and funds for the rehabilitation of slum quarters would not be cut either, Levy's spokesman told *The Jerusalem Post* last night.

Science and Development Minister Gideon Patt said that the economic future of Israel must be based on increasing production and expanding exports.

The first step to such growth, said Patt, was immediate reforms in the tax system that would lead to investment in industry.

Visiting Cypriots stress opposition to terrorism

By LEA LEVAVI

Opposition to international terrorism, the PLO and Moslem extremism was stressed yesterday at a press conference held by young leaders of the Cypriot conservative Democratic Rally Party at the conclusion of a weeklong visit here.

The six student and younger generation leaders from Cyprus, accompanied by a student leader of Greece's conservative New Democratic Party, were in Israel as guests of the Likud Student Union. All these parties belong to the European Democratic Students, an organization of conservative, Christian Democratic and liberal parties.

Eros Antoinades, head of the delegation, stressed that his party wanted peace, but if the choice was between peace and freedom, fighting for freedom must come first.

Cabinet votes for 'no proselytizing' clause for Mormons

By HAIM SHAPIRO
Jerusalem Post Reporter

The cabinet yesterday voted to instruct the Israel Lands Administration to amend its lease with the Mormons to include a clause forbidding missionary activity at the church's branch of Brigham Young University that is being built on Mt. Scopus in Jerusalem.

The vote endorsed a recommendation of the interministerial committee that for the past eight months has looked into the controversial decision to allow the Mormons to build on Mt. Scopus. The committee had also concluded that, as the American church had all the necessary building permits, construction at the site could not be halted.

An aide to Religious Affairs Minister Yosef Burg, who headed the committee, yesterday told *The Jerusalem Post* that it was still unclear whether Lands Administration could legally amend the lease unilaterally.

Rabin: IDF didn't need Area 9

Jerusalem Post Reporter

Defence Minister Yitzhak Rabin said yesterday that he had reopened Area Nine in Lower Galilee to its Arab owners, and had ended all IDF activity there because the IDF no longer really needs the land for training purposes.

Giving the area back was not adversely affecting IDF training plans in any way, Rabin said at the weekly cabinet session.

Even while Area Nine had been closed in part to its owners, Rabin explained, training exercises there had been considerably hampered because of the location of Jewish as well as Arab villages inside the zone.

Rabin noted that former Interior Ministry northern district representative Yisrael Koenig, who last week inveighed in public against giving the Arabs their land back, had himself approved the construction of a Beduin housing project inside the training area.

"We were unable to enjoy proper use of Area Nine and we can manage without it," the minister said.

Minister-without-Portfolio Moshe Arens complained that Rabin and IDF Chief of General Staff Rav Aluf Moshe Levy, had taken it upon themselves to decide to give the Arabs back their land without seeking cabinet approval.

Prime Minister Peres said that Arens could ask for the matter to be put onto the cabinet agenda for a full discussion if he wished.

Israel rejected Soviet plan to send officials here in April

Jerusalem Post Reporter

In April this year, Moscow wanted to send a delegation of Soviet officials to spend several weeks at the Soviet interest section of the Finnish Embassy in Tel Aviv.

Jerusalem's reply was that before such a delegation could come, talks must be held by both sides to determine the exact functions of such a Soviet team.

Moscow then put off the whole idea for some time, until contacts were resumed recently which led to the Israel-Soviet talks in Helsinki this week.

The Soviet interest section of the Finnish Embassy was opened in Tel Aviv at the end of June 1967, shortly after the Soviet Union broke off diplomatic relations with Israel in the wake of the Six Day War. It maintains separate offices on Rehov Sharett in Tel Aviv which, until three years ago, were headed by a Finnish Consul and are staffed by a Finnish and an Israeli secretary. Since September 1983 no new Finnish consul has been appointed and the office is run by the two secretaries. The Finnish ambassador, however, is responsible for the functioning of the Soviet interest section in Tel Aviv, while its budget is covered by the Soviet Foreign Ministry through the Finnish Foreign Ministry in Helsinki.

At no time have any Soviet officials been stationed at the Soviet interest section.

On rare occasions, when the Soviet government has decided to deliver an official note to Israel, mostly protest notes, this has been done through the Finnish ambassador, or chargé d'affaires, who has delivered the note to the Foreign Ministry in Jerusalem.

Arens wanted delegation called home

Jerusalem Post Reporter

Minister-without-Portfolio Moshe Arens yesterday demanded that the Foreign Ministry delegation to the Helsinki talks be summoned back at once.

Arens, speaking at yesterday's cabinet meeting, said that following the official Soviet statement that the question of Soviet Jewry would not be discussed, there was no point in the talks taking place. He said that the recent wave of abuse in the Soviet media against Israel made the recall even more logical.

Prime Minister Peres, instead of replying to Arens, asked Vice Premier Shamir (Arens's Herut party chief) to reply.

Shamir told Arens that there was no need for the cabinet to change its original decision to despatch the delegation, and that the Foreign Ministry diplomats would raise all the issues related to Soviet Jewry exactly as the cabinet had instructed.

Arens got no support from other ministers, and the matter was dropped.

Hunger striking in bid to donate bone marrow

MOSCOW (Reuter). – Inessa Fleurova has started a hunger strike in a bid for permission to leave the Soviet Union urgently to donate bone marrow to her brother, who is dying of leukemia in Israel, her husband said yesterday.

Fleurova, 37, started refusing food after Soviet authorities failed to give a promised decision on her application for an exit visa, her physicist husband Viktor Fleurov, 38, told Reuters.

Her brother, Mikhail Sherman, 31, emigrated to Israel six years ago with their mother.

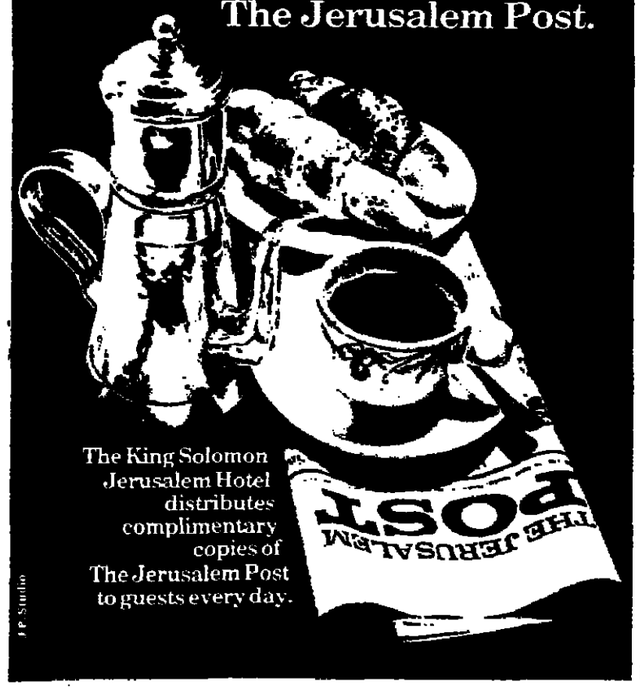
No role for Shas in appointing 'dayanim'

The ultra-orthodox Shas Party yesterday lost its fight to influence the appointment of religious court judges (*dayanim*).

Shas leader and Interior Minister Rabbi Yitzhak Peretz failed to persuade the cabinet to appoint him as the second minister on the 10-member appointments committee for *dayanim*. Instead, the cabinet selected Deputy Premier David Levy.

Morning at the King Solomon Jerusalem.

Food for thought with The Jerusalem Post.



The King Solomon Jerusalem Hotel distributes complimentary copies of The Jerusalem Post to guests every day.

J.P. Studio

South African Zionist Federation
mourns the untimely passing of

AVRAHAM KATZ

head of the Youth and Hechalutz Department, Zionist educator and leader.

Our heartfelt condolences to the family.

President, Chairman
Executive Council
S.A. Zionist Federation, South Africa

Chairman, Executive Council
S.A. Zionist Federation, Israel

ap485-20-P24

We offer sincere condolences to our colleague
Rami Kornblum
on the death of his mother

PNINA ז"ל

Prof. Izak Warszawski
Head of the Organization Dept.,
World Zionist Organization
And the Staff of the Department

ap480-20-P24

On the first anniversary of the passing of our husband, father, father-in-law, grandfather, brother

MEIR (Majcsu) KRAUS ז"ל

Sydney — Bnei Brak

there will be a memorial service at the Segula Cemetery in Petah Tikva on Thursday, August 21, at 5:30 p.m. prompt.
Bus transport will leave at 4:45 p.m. from 50 Rehov Yohanan Ben Zakai, Bnei Brak.

The Bereaved Family

U.S. Senate accused of meddling in S. Africa's affairs

JOHANNESBURG (AP). – Foreign Minister R.F. Botha said yesterday that the U.S. Senate's approval of broad sanctions against South Africa would encourage radicals trying to create a society "in which no American would live voluntarily."

Botha, in the first official reaction to the vote Friday night in Washington, told the South African Broadcasting Corp. that the government considered the Senate action to be interference in South African internal affairs.

He said the U.S. Congress, by pushing for sanctions, was hampering efforts by the Pretoria government to negotiate a constitution that would bring blacks into the national political system.

The Senate, by an 84-14 vote, approved a sanctions package that includes a ban on importing South African steel, textiles, uranium, coal and farm produce.

The package, which must be reconciled with a stronger sanctions bill passed by the House of Representatives, also would bar new U.S. investment in South Africa, forbid new bank loans and end U.S. landing rights for South African Airways.

Deputy Finance Minister Kent Durr has called the bill, which economists say could have significant effects on South Africa's recession-hit economy, "protectionism dressed in morality."

In Moscow, the official Soviet news agency Tass branded Senate measures as "pseudo-sanctions" designed to avoid harming Senators' personal investments in South Africa.

Tass said that no new U.S. investments had been made in South Africa in the past two to three years due to investor fears over the political instability there, while "the embargo on imports is inspired more by protectionism than by a desire to harm Pretoria's economy."

Three blacks were killed in the latest outbreaks of unrest, including two shot by security forces, the Pretoria government said yesterday.

The third death occurred when a group of blacks set fire to a vehicle, killing one man inside and injuring another.

Five blacks – two women and three children – were killed by a landmine blast near the town of Nelspruit in eastern Transvaal Province, the government said.

The children included a month-old infant.

(AP, AFP, Reuter)



Rioters try to smother teargas bombs fired by the police during rioting in central Karachi yesterday. (Reuter)

China leaders caricatured in display of freedom

PEKING (Reuter). – Cartoons of China's two top leaders have appeared in a major Chinese newspaper in what Western diplomats said yesterday was an unprecedented display of artistic freedom.

The Shanghai paper *Liberation Daily* ran caricatures of Deng Xiaoping, a noted bridge player, playing cards and Communist Party General Secretary Hu Yaobang, conducting music.

Deng, lampooned as pro-capitalist in newspaper cartoons during the 1966-76 Cultural Revolution, was shown wielding a fistful of cards marked "Chinese-style modernization."

Hu, wearing a Western business suit and tie, was drawn waving his hands above a caption saying "Comrade Yaobang leads us in a new song."

The caricatures appeared at the top of a page of cartoons on Chinese life in the paper's Friday edition.

Western diplomats said positive caricatures of leaders were unknown in China, although disgraced officials had often been mocked in cartoons and wall posters.

2 killed as police fire on Pakistan rioters demanding elections

ISLAMABAD (AP). – Police opened fire yesterday on rock-throwing protesters in Karachi as unrest continued for a fifth day, witnesses said. Two demonstrators were killed, according to opposition sources. About two dozen people were taken to hospitals with gunshot and other wounds.

Protesters also fought with riot police in other southern towns, setting fire to government buildings and private businesses and blocking roads, witnesses said.

Police in one Karachi district responded with shotgun fire as they were pelted with stones and bricks by bands of protesters who blocked roads with burning tires and other debris, witnesses said.

Riot squads fired tear-gas and made baton charges on the protesters as the two sides played cat-and-mouse in the rundown district's narrow streets.

The unrest came as opposition groups were martialling their supporters on the eve of nationwide protests against President Gen. Mohammad Zia ul-Haq. The government warned it would not tolerate disturbances. Opposition activists said they were expecting troubles.

The Movement for the Restoration of Democracy (MRD), an alliance of opposition parties, called for huge meetings and protest marches today to press for Zia's removal and national elections.

Troops were called out yesterday to help police in the town of Halla, 240 km north of Karachi, after anti-government crowds set fire to three banks and a post office and tried to wreck a railway line, witnesses said. Police fired in the air and used tear-gas and baton charges to disperse the protesters, they said.

Troops were called out in Thatta and Badin districts, north of Karachi in Sind province. Army patrols were reported to be moving through riot-hit areas of the province, a traditional opposition stronghold.

Karachi, Lahore, Rawalpindi and other cities and towns hit by rioting since last week were reported quieter yesterday with people staying home to celebrate the major Moslem holiday of Eid. Large contingents of heavily armed riot police were on standby in riot-hit areas, government officials said.

Djibouti airliner intercepted

South Yemen concerned over ousted leader's activities.

SANAA (Reuter). – The South Yemeni government in Aden is showing growing concern over the activities of supporters of ousted President Ali Nasser Mohammed, many of whom have sought refuge in North Yemen, analysts said yesterday.

They said this was highlighted by Saturday's interception and search of an Air Djibouti Boeing 720, which two South Yemeni MiG fighters forced to land at Aden airport.

Djibouti suspended all air and sea links with South Yemen yesterday following the interception of the Djibouti-bound commercial airliner.

Hussein Kassem Ahmed, an associate of the former president, was aboard the plane, which was flying to the East African state from Sanu. He was allowed to rejoin other passengers after the Ethiopian pilot refused to leave without him.

Some 10,000 South Yemenis have sought refuge in North Yemen since Nasser Mohammed was ousted last January in a bloody power struggle within the ruling Marxist group in Aden, diplomatic sources here said.

The deposed president now lives in Addis Ababa but regularly visits North Yemen, where his supporters recently started publishing a weekly.

The South Yemeni government last week repeated calls to South Yemenis who have fled the country to return, promising them an amnesty and jobs.

Syria gets 'first batch' of Soviet MiG-29 jet fighters

ABU DHABI (AP). – Syria has taken delivery of an unspecified number of MiG-29 jet fighters, becoming the first country outside the Soviet Union to possess the sophisticated warplanes, the Abu Dhabi newspaper *Al-Ittihad* reported yesterday.

The paper quoted unidentified diplomatic sources who said they recently saw some of these jet fighters at a Syrian air base. The reports remained unconfirmed.

The sources did not specify the location of the base nor the number of the planes, but said the jet fighters constitute the first batch of a package deal for 80 MiG-29s between Syria and the Soviet Union. *Al-Ittihad* said.

"The multi-mission plane's capabilities enable it to match the latest western fighters, including the British Tornado, the French Mirage 2000, and the American F-16, which is the backbone of the Israeli airforce," the diplomats were quoted as adding.

Syrian Defence Minister Mustafa Tlas was quoted last week by a Kuwaiti newspaper as saying his armed forces were stronger than ever before and were "ready to fight Israel at any moment."

Arson raid in Hamburg linked to refugee probe

HAMBURG (AP). – Arsonists caused heavy damage early yesterday to a Hamburg police building housing the department that is probing the smuggling of 155 Sri Lankan refugees from West Germany to Canada, authorities said. No one was injured.

The leftist extremist gang Revolutionary Cells claimed responsibility for the attack, spray-painting the slogans, "Against police raids, against deportations" on the wall of the building, according to poice.

"It is being pondered whether the attack had something to do" with the smuggling of Sri Lankan Tamil refugees in a small cargo ship from West Germany to Canada, a police spokesman said.

The refugees, who reportedly were charged 5,000 marks ($2,500) apiece by the smuggling ring, were found drifting in lifeboats off Canada's Atlantic coast last Tuesday. Two Sri Lankan Tamils and a Turk are jailed in Hamburg in connection with the affair, and the ship captain is being sought for questioning.

The refugees had either been refused political asylum here or were awaiting court rulings on their applications, and many feared deportation back to their civil war-wracked homeland.

The arson fire broke out about 2:10 a.m. on the first floor where investigation documents are kept. Many files were destroyed, but police had second copies stored elsewhere.

Investigators suspect that the arson was linked "to foreigner and asylum problems" in West Germany.

In Metz, France, two Sri Lankan Tamils were charged yesterday with trying to smuggle 11 fellow refugees from West Germany into France in two cars, border police said. All 13 were arrested Saturday as they crossed the frontier.

LEGACY. – The Trustee Savings Bank in Sheffield, England, is trying to trace relatives of Mary Larner, who was banished to Australia in 1857 after stealing a loaf of bread, because a £5 deposit she had made with the bank has now grown to £1,500 pounds, and any living relative stands to collect.

Six climbers feared dead on second highest mountain

ISLAMABAD (Reuter). – Five, perhaps six, members of a European climbing expedition died after reaching the summit of Pakistan's K-2, the world's second highest mountain, diplomats said yesterday.

They said British climber Julie Tullis froze to death in her tent three days after a heavy snowstorm trapped the eight-member team at a height of 7,925 metres 14 days ago.

Two Poles, Dobroslawa Wols Miodowicz and Wojeiech Wroz, fell to their deaths in a technical mishap involving weak ropes during the descent, the diplomats said.

Two Austrians, Alfred Alsredimitzer and Tadeusz Piogrowski, died of hunger and lack of oxygen.

Kurt Diemberger, one of two Austrians who survived the storm and returned to base camp, said well-known British climber Alan Rouse was also among the dead. But the British embassy spokesman said this had not been confirmed.

K-2, also known as Godwin Austin, is in the Pakistani-administered part of the Himalayan state of Jammu and Kashmir. At 8,520 metres, it is second in height only to 8,848 metre high Mount Everest.

Iranian planes bomb tanker

MANAMA, Bahrain (AP). – Iranian planes on Sunday raided and set ablaze the Panamanian-registered chemical tanker Weelek No. 3 near the Emirate of Sharjah in the southern sector of the Gulf waters, marine salvage executives reported.

The London-based Lloyds Shipping Intelligence Unit said two crewmen were missing. But maritime shipping sources in the Gulf disclaimed any knowledge about this.

The petroleum products carrier "took bombs twice in the engine room," according to Lloyds.

The bombs ignited a fire in the engine room which was flooded. But the crew managed to extinguish the blaze and the vessel later reached Dubai for repairs, shipping sources said.

It was the second strike by the Iranians on commercial vessels in two straight days in the southern, neutral sector of the gulf waters.

Iranian planes have been attacking tankers and freighters sailing in the southern Gulf waters in retaliation for the Iraqi blockade on their own oil export sealanes.

Lebanese PM in new peace bid

BEIRUT (Reuter). – Prime Minister Rashid Karami wants Lebanon's full cabinet to meet soon to try to bring peace to the country, but some of his Moslem allies doubt he will succeed.

Karami, a Sunni Moslem, said he expected the cabinet to meet shortly and voiced hopes of reching a solution when he met U.S. chargé d'affaires Terrance Macnamara in North Lebanon yesterday, *An-Nahar* newspaper reported.

But the daily quoted sources close to Shi'ite Amal militia chief and Justice Minister Nabih Berri as saying this would not work because Samir Jeajea, a hardliner, had emerged as the strongman of the Christian Lebanese Forces militia.

The Lebanese cabinet has not held a full meeting for months, with continuing political stalemate since the Lebanese forces and Christian President Amin Jemayel blocked a Syrian-mediated militia pact signed last December to end 11 years of civil war.

Fighting within the ranks of the Lebanese forces, the main Christian militia, erupted in East Beirut a week ago in what some residents said was a mini-revolt against Jeajea's leadership.

Jeajea, who took over the militia in January when he toppled Elie Hobeika, said in an interview Saturday he now had the situation under control.



Muscovites have been queuing for their liquor since Soviet leader Mikhail Gorbachev launched his anti-drinking campaign more than a year ago. This picture was taken three hours before the opening time of a Moscow liquor store. (Reuter)

Solidarity rally welcomes two released dissidents

GDANSK, Poland (Reuter). – Thousands of Solidarity supporters gave an emotional welcome yesterday to two leading opposition figures released from prison under a recent act of clemency by Polish authorities.

Dissident historian Adam Michnik and Bogdan Lis, a former underground leader, spoke to a cheering crowd after appearing as guests of honour with Solidarity chairman Lech Walesa at a mass attended by over 7,000 people.

"I would like to ask you not to forget about our friends who are still in prison," Michnik said.

It was his first public appearance since his release last week after one-and-a-half years in prison.

Michnik, Lis and Wladyslaw Frasyniuk were arrested in February 1984 and later convicted in a closed trial of illegal union activists. Frasyniuk is still imprisoned.

Michnik, who is Jewish, is considered to be one of Poland's leading writers and intellectuals.

Warrant out for 'A-bomb dealer'

By JERRY LEWIS
Jerusalem Post Correspondent

ROME. – Italian magistrates have issued an arrest warrant for Lebanese multi-millionaire Anthony Gabriel Tannouri on the charge of attempting to sell three atomic bombs to Gaddafi's Libya.

The action was taken after the court heard confessions from a number of businessmen involved in an international arms racket following a two-and-a-half year investigation.

Police ascertained that three mysterious containers with "make it yourself" kit bombs were smuggled out of French testing grounds in the Pacific and left in a customs shed in Switzerland in return for almost 400,000 shares in Italy's largest insurance company.

The shares in the unnamed company represented 2.8 per cent of the company's capital and were found to be owned by the Libyan Foreign Arab Bank. Magistrates believe Tannouri organized the transaction.

Swedish premier urges halt to nuclear power

STOCKHOLM (Reuter). – Swedish Prime Minister Ingvar Carlsson yesterday attacked the use of nuclear power, citing the way the Chernobyl disaster had forced many of his countrymen to change their eating habits.

"Nuclear power is one of the greatest threats to our environment," Carlsson told a labour rally in Stockholm, saying that the Chernobyl accident had strengthened Sweden's conviction that nuclear power must be got rid of.

Swedes voted in 1980 to close the country's 12 nuclear reactors by the year 2010. Immediately after Chernobyl, the government ordered an inquiry into whether this should be speeded up. The inquiry commission's report is expected in the autumn.

Sweden was the first country to alert the world to the April 26 accident at the Soviet reactor in the Ukraine after detecting a cloud of radioactive particles sweeping over the Baltic.

"The Chernobyl accident has spread radioactive iodine and cesium over our fields, forests, moors and lakes. We have been forced to take drastic measures that seem strange and frightening," Carlsson said.

New houses for Chernobyl evacuees

MOSCOW (AP). – Some 2,500 houses have been built in the Ukraine for a number of the 100,000 people evacuated from the area around the Chernobyl nuclear reactor, a Soviet newspaper reported yesterday.

Workers brought in from around the nation plan to finish an additional 4,750 dwellings for the evacuees within two months, most from small villages that were contaminated by the disastrous nuclear accident.

The agricultural daily *Selskaya Zhizn* reported from the Makarov region west of the Ukrainian capital of Kiev on settlers who have moved into houses in the new village of Ternopolskoye. It said 52 new villages will be built in the northern Ukraine to house evacuees form the April 26 nuclear disaster which has claimed 31 lives and caused at least $2.8 billion in damage.

The report contained no new information on the construction of a concrete "sarcophagus" that Soviet media and officials have said is designed to entomb the ruined reactor.

The No. 1 and No. 2 reactors at the Chernobyl plant are slated to come on line again in October, but *Pravda* said that efforts to restart them and to repair a third unit adajacent to the No. 4 reactor depend on timely completion of the concrete tomb.

According to Soviet media, the casing will contain instruments to give scientists readings of radiation and temperature inside the structure. The concrete structure is intended to keep radiation from seeping into the ground water.

Soviet pianist Sviatoslav Richter is the latest world-renowned artist who is to donate proceeds from a recital to the aid fund for Chernobyl nuclear accident victims, Tass said.

Tass said the recital, in Gorky, opened a tour by the 71-year-old Richter that will be his longest ever in the Soviet Union.

The report did not say how much money was raised by Richter's performance in Gorky, an industrial city closed to foreigners, about 400 kilometres east of Moscow.

The Chernobyl Relief Fund was established a few weeks after the disaster. Soviet officials say contributions continue to come in to state bank branches across the nation and from abroad.

Tass last week quoted Viktor Dementsev, chairman of the state bank, as saying the fund had grown to more than 475 million rubles, about $700 million at the official exchange rate.

Girl who turned in parents pleases Hollywood

ORANGE, California (AP). – Hollywood movie companies have started a bidding war for the rights to the story of a 13-year-old girl whose parents were arrested after she turned them in for alleged drug use.

"I have had telephone calls from nine major production companies wanting to acquire the rights to Deanna's story. My telephone hasn't stopped ringing since her story broke and we're overwhelmed," said Bob Theemling, director of Orangewood Children's Home, where Deanna Young was sent after her parents' arrest.

"Deanna has become a national symbol of someone who battled the drug problem," Theemling said, adding that the calls have come from such companies as Lorimar, 20th Century-Fox, Columbia Pictures Television and Triad Artists.

Callers were being referred to an attorney representing the girl.

Deanna remained at Orangewood on Saturday, even though she asked to be reunited with her parents. She was sent to the home last Wednesday, after going to police with a trash bag containing marijuana, pills and $2,800 worth of cocaine she said belonged to her parents.

Police said the youngster was inspired by an anti-drug lecture at a church Bible meeting.

"She must have loved her parents a great deal," said Nancy Reagan, the wife of the president. "I hope they realize just how much she loves them." Mrs. Reagan has led anti-drug publicity campaigns in the U.S.

Bobby Dale Young, 49, and Judith Ann Young, 37, were charged with possessing cocaine and freed on their own recognizance last week. They face arraignment on September 23.

THE HEBREW UNIVERSITY OF JERUSALEM

The Rothberg School for Overseas Students invites the public to a

Seminar

in English on

Terrorism and the Media: Domestic and International Perspectives

Thursday, August 21, 1986, 4:00-6:30 p.m.
at the Senate Hall, Mt. Scopus

Panelists:
Prof. Yonah Alexander
Jay Bushinsky
Michael Elkins
Erwin Frenkel
Lt. Col. Raanan Gissen
Ron Ben-Ishai
Amiram Nir
Shmuel Segev

Jacob's Ladder Folk Festival
Kibbutz Mahanaim, Upper Galilee

Friday, August 22
from 4 p.m. Hootenany — Come all ye — Singers and musicians welcome
7 p.m. till late — programme of traditional English, Irish, Scottish and American Music — also, country and western, blues, bluegrass etc.
Drinks and snacks on sale
Camping out possible
We regret that no accommodation or food available at the kibbutz
Tickets at gate

Habimah National Theatre, under the auspices of the American Embassy, plays host to

"BROADWAY AT ITS GREATEST."

This is one of the landmark productions of our time. This is a 'Long Day's Journey to glory."
Clive Barnes, New York Post

JACK LEMMON
IN
LONG DAY'S JOURNEY INTO NIGHT
BY
EUGENE O'NEILL
WITH
BETHEL LESLIE ★ PETER GALLAGHER
★ KEVIN SPACEY ★ JODIE LYNNE McCLINTOCK
DIRECTED BY
JONATHAN MILLER

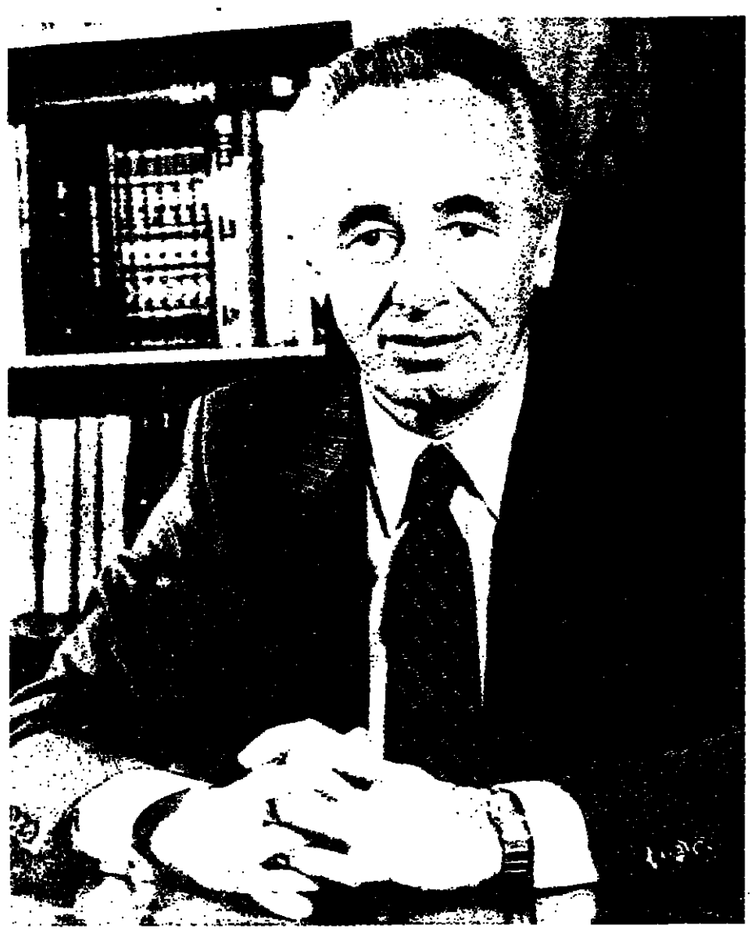
Only at the Habimah Theatre

on: October 17 at 2 p.m.; October 18-23 at 8:30 p.m.
Tickets: Hadran, Tel. 248787, Castel, Tel. 444725 and other agencies.
Groups: Tel. 223167. Credit card holders: 238258.
For Habimah subscribers – limited number of discounts, at Habimah box office, Tel. 296071.

The Prime Minister of Israel

Welcomes

The UJA Prime Minister's Mission



ראש הממשלה
THE PRIME MINISTER

Jerusalem August 5, 1986.

To Participants in the 1986 UJA Prime Minister's Mission:

I wish to extend to you a warm welcome to Jerusalem.

Your visit here will give you the opportunity to observe at close quarters what has been accomplished over the past few decades, as well as the challenges facing us today. Ever cognizant of the impact of World Jewry, first and foremost of the American Jewish community, on past efforts, I trust that you will also be able to appreciate the importance of your role in our achievements and the fulfilment of our common aspirations.

Our prime objectives have always been the attainment of peace with our neighbors, the establishment of Israel as the viable center of World Jewry, and the security and wellbeing of the people of Israel.

The obvious prerequisite for all these aspirations is the continuation and intensification of the partnership between the people of Israel and Jews in the Diaspora. Your ongoing assistance in the building and development of this country, thus facilitating the problem-free absorption of newcomers, the education of their children, the care of the elderly and disadvantaged - has left its mark on life in Israel. Your enterprise in undertaking to help in the rehabilitation of disadvantaged neighborhoods in cities and development areas throughout Israel has made it possible for us to offer an improved quality of life for thousands of citizens who could not have achieved it on their own.

I sincerely hope that your visit to Israel will lead to a closer and ever-stronger partnership.

Bruhim Ha'baim,

Shimon Peres

Shimon Peres

Demonstrators block traffic in Jerusalem

Activists seek to avoid 'sell-out at Helsinki'

By LOUIS RAPOPORT
Jerusalem Post Reporter

A new organization of former Soviet Jewish activists, Israel Action, demonstrated yesterday in downtown Jerusalem, chaining themselves together and blocking traffic for half an hour to dramatize their demand that Israel walk out of the Helsinki consular talks if the Soviets refuse to address the issue of Jewish emigration.

Leaders of the group promised that the action would be the first of many, and said that a more militant stand was necessary to fight what they termed "the sell-out at Helsinki." The talks are to begin today.

An Israel Action spokesman said his group was not against diplomatic talks between the USSR and Israel *per se*, but said they were against any negotiations whose agenda was not topped by the struggle of Soviet Jews to emigrate to Israel. The activists feel that the government does not do enough for Soviet Jews, and even works against the emigration movement because "they see the Soviet Jewry question as an obstacle to the goal of diplomatic ties with Moscow," according to Mikhail Nudler, the group's spokesman.

Prime Minister Peres has said that Soviet Jewry was "at the top of Israel's considerations" in the first official talks with the Soviets since 1967, when the Kremlin broke ties with Israel.

Over the weekend, television and radio crews, photographers and reporters were informed that an action would take place Sunday morning, but no details were released until the last minute for fear that police would stop the demonstration before it got started.

The newsmen assembled in front of Cafe Atara on the Ben-Yehuda Mall, and in front of Hamashbir department store on King George, where the demonstration began at 10:15 a.m. The eight demonstrators strung a chain around their necks and locked its ends to lampposts at the intersection of King George and Ben-Yehuda.

A few angry drivers honked their horns and forced their way through, but this became impossible after a few minutes because of the press of the crowd around the demonstrators. The driver of a van, livid with anger and cursing at the demonstrators, emerged with a hack saw and broke through the chain.

Police were good-natured throughout and quietly led the demonstrators to the sidewalk in front of Hamashbir. There were no arrests.

The demonstrators were led by Ya'acov Goredetsky, a former Leningrad activist who arrived in Israel six months ago. The other leader of Israel Action, Leonid Preisman, was a Moscow activist until he was allowed to leave for Israel last year. Both men were considered leaders of the movement for the "repatriation" of the Soviet Jews who have been granted Israeli citizenship.

There are now some 800 Soviet Jews with Israeli citizenship, and Goredetsky and Preisman believe that they are the vanguard for thousands of others who should be repatriated to Israel.

"We're not against diplomatic ties, but we don't want to betray our friends in the Soviet Union who want to emigrate to Israel," Goredetsky said. He said the Israel government would be adding to the plight of Soviet Jewry if it allowed a Soviet consulate to open here without a *quid pro quo* – the release of a large number of the estimated 10,000 Jews who have been denied exit permits.

Goredetsky is considered a controversial figure in the Soviet Jewish movement, with some veteran activists saying that he is erratic and is untested as a leader. His supporters credit him with giving new impetus to the movement by placing the emphasis on citizenship and repatriation.

HOME NEWS IN BRIEF

TWA jumbo limps back

BEN-GURION AIRPORT (Itim). – Engine trouble forced a TWA jumbo jet to return here about an hour after it took off yesterday morning.

Flight 801 to New York was flying over the Mediterranean when engine No. 2 began malfunctioning. The pilot contacted the control tower here and decided to return to the airport to see if the engine needed to be replaced.

The plane landed safely, powered by its other three engines, at 11:35 a.m.

Police hold director of immigrant hostel

ASHKELON (Itim). – The director of an immigrants' hostel here is being held by police on suspicion of receiving goods under false pretences, bribery and sexually molesting an elderly immigrant.

Edmond Sidi, 56, was remanded into custody for eight days by the magistrates' court here yesterday. Sidi runs a Jewish Agency hostel located in caravans in southern Ashkelon.

Eight-year-old drowns

BAT YAM (Itim). – An eight-year-old Bethlehem boy drowned at Hasela beach here yesterday. A swimmer pulled him out of the water, but a Magen David Adom team was unable to resuscitate him.

No magical cure

TEL AVIV (Itim). – A woman who prescribed the slaughter of a black rooster at midnight as a cure for depression was charged yesterday in the magistrates' court here with foreign currency violations, fraud, and practising magic.

The court learned that in 1984, Odette Azor, 50, had promised to cure a man's severe depression through magic. After reading the coffee grounds left in his cup, she told him: "I see that demons and Satanic spirits have entered you." She claimed that for $1,000 she could banish the evil spirits and the man paid her $500 on the spot.

Azor instructed the man's wife to slaughter a black rooster at midnight in the doorway of their Ramat Gan apartment and to smear the blood on the door and on her husband's shirt. Yazor was then allegedly paid an additional $400.

'Police can't abuse trust'

The Supreme Court yesterday rejected the appeal of two Nazareth policemen who had been convicted of brutality and sentenced to three months in prison.

"Policemen have a dangerous job and deserve the full support of the courts as long as they remember the trust the public places in them," wrote the justices. "But if they abuse that trust, the courts will show them no favour."

Meir Ashash and Zamir Joamis had been found guilty of kicking and punching a man suspected of stealing goats. One of the policemen had broken the suspect's shoulder.

They were sentenced to three months in prison, nine months suspended and fined NIS 1,000.

Survivor recalls neighbours who saved her

Snatched from Nazi clutches

By BERNARD JOSEPHS
Jerusalem Post Reporter

The black uniformed Nazi standing guard outside the apartment block terrified 12-year-old Hetty Fisch. She knew his presence signalled a climax to years of steadily mounting persecution for the Jews of Slovakia.

It was August, 1944, and Hetty was living in the town of Zilina with her aunt and uncle. Her father, a doctor – destined to die in the Holocaust – had sent her there after the Allies had bombed Bratislava, their hometown.

Hetty, now Hetty Klein of Jerusalem, yesterday recalled that the uniformed Nazis had remained outside the building when a local policeman had entered the flat to escort the family to a waiting transport.

Her aunt pleaded with her to run. She told the girl to go to the forest and find the partisans. "The Nazis will kill the children immediately," she said.

The policeman said he would "turn a blind eye," but Hetty wouldn't go. "I told my aunt and uncle I wanted to stay with them," she said.

So the family left the flat and started down to the street. Suddenly, as they passed a neighbour's house, the door opened and Hetty was dragged inside. The policeman kept his word and told no one.

"In that moment my life was saved," said Klein. "It was a split-second decision and that is why I am here to tell about it."

Klein was speaking yesterday after a tree was planted at Yad Vashem's Avenue of Righteous Gentiles for the neighbours who snatched her from the clutches of the Nazis and hid her until liberation, nine months later.

Despite Nazi regulations promising death to anyone harbouring Jews, and although they had two young children of their own living in their small apartment, lawyer Michal Majercik, who died last year, and his wife Anna, who still lives in Czechoslovakia, always insisted that there were not heroes.

"My father told me that anyone would have acted as they did in similar circumstances," said their daugher, Mira, who attended the ceremony.

Recalling her years with the Majerciks, Klein said: "They were taking a tremendous risk, but I was treated like part of the family. I don't ever remember feeling that I didn't belong."

There were moments of danger. An anti-Semitic neighbour told the Gestapo that she believed the Majerciks were hiding a child. The flat was searched. But Hetty was hidden under a mattress on which the family's infant son was sleeping.

Despite the family's kindness, hiding was not easy. Klein was not able to leave the flat. And she had to sit in the dark for hours because the family could not risk an extra light being spotted in the small spare room where she stayed.

"It was months after the liberation before I could go out of the flat without being afraid. I will never forget the fear and the horror of those days. Nor will I ever forget the love and the kindness of the Majercik family," she said.

Streetside cocktails to beat the heat

On hot August nights, when the air has no room to move in cramped Tel Aviv apartments, the only thing to do after the fifth cold shower of the day is to join the sidewalk cocktail party.

At 2 a.m. on Friday and Saturday mornings, there are traffic jams on Dizengoff and the wide seaside boardwalk of pebbly concrete is packed with people.

The outdoor bars do the best business, with each place catering to a clientele of regulars augmented by convoys of Subarus from Holon and Bat Yam, the Queens and Bronx of Tel Aviv's Manhattan.

The regulars are defined by profession, or often merely by the claims of profession. This place on Ben-Yehuda is for movie people. That place on the seaside strip is where the teenagers go. This joint on Trumpeldor is for the journalists. That fluorescent- and neon-lit place on the other side of the Yarkon is for models and photographers and advertising people, who like the bright lights all the better to see each other.

Taxi-drivers are valuable sources of information about the clientele of each place. They know where to take the pretty girls and the big tippers, the raucous teenagers and the barefoot beachfreaks. They know where a new place has opened, and some can guess which place will succeed and which will fail.

"What are they looking for? What are they looking for?" asks the 64-year-old driver of a seven-seat Mercedes, as he takes a passenger from

Tel Aviv Tel Aviv

Robert Rosenberg

one 2 a.m. sidewalk cocktail party to another. He doesn't seem to want an answer, and for each person in each place, the answer is likely different.

In every place, the stranger comes in and searches the crowd for a familiar face, and no matter how huge the metropolis, there are always familiar faces, even if the faces are familiar from TV or advertising or the gossip columns of the women's magazines.

Gazi Hakak is in jail in Amsterdam on what he says are trumped-up heroin charges. But his bar, run for him nowadays by a friend from Metulla, and erroneously called The West Coast when it should be known as the south coast, is doing a thriving business, halfway between Tel Aviv and Jaffa.

Around each of the 50 huge round tables standing on the stepped terraces that lead down to the water sit groups of five or six or 10. There are soldiers on weekend leave, dating couples in the strange finery of fashion, a sprinkling of provincial celebrities and a dozen waitresses rushing back and forth with the watermelon, Bulgarian white cheese and milky glasses of arak.

Just past Hakak's place there's a park of grassy knolls overlooking a part of the beach where midnight fisherman cast into the waves. The park is dotted by green and yellow and orange tents, and from the tents blare out the sounds of voices and music from tapes sold near the central bus station. Sometimes the music is live, voices rising and falling with tambourines and ouds, bongo drums and guitars.

The sounds rise in the air like the smoke and smells from the charcoal grills outside the tents.

There seem to be kilometres of Subarus parked on the sidewalk of Herbert Samuel Boulevard, and it's a rare night that a drunk doesn't end up in the hospital after trying to navigate through the streaming lights of the cars speeding back and forth along the strip, driven by other drunks.

On Thursday nights, those who can walk or bicycle to a neighbourhood pub take over the sidewalks outside places like the bar on the corner of Rehov Shoftim and Ibn Gvirol. Everybody is there to find a way to sleep. For some that means a few drinks. For others, sleep is found in the kind of sudden affair that in the morning often turns into embarrassment.

Up the street from Shoftim, two 23-year-olds from Bat Yam who were in Nahal together have opened a place called Satalla, which is the name of an ancient Egyptian goddess and a play on the word *sutul*, which means stoned. They worked two years to raise collateral for a bank loan, put $15,000 into the place and did all the woodwork themselves. They know about beer, and have lots of friends who fill the place every night. But it took a patron – open only a week, it's too soon for the place to have regulars – to tell them to put their vodka in the freezer and serve it in shot glasses.

There's room for everybody at both places, and at all the joints on the sidewalks of the city, and even though the police come by at 1 a.m. to remind the owners to close, until 2 or 3 a.m. it's hard to find a table.

So the sidewalk cocktail party mingles and mixes, leans against the pillars of the building, against the fenders and hoods of the cars parked illegally on the main street, strangers becoming nodding acquaintances, nodding acquaintances becoming drinking partners.

It's not the loneliness of a New York singles bar. It's a temporary escape from the miserable weight of sweat drying breezeless and sticky in the hot August nights of Tel Aviv.

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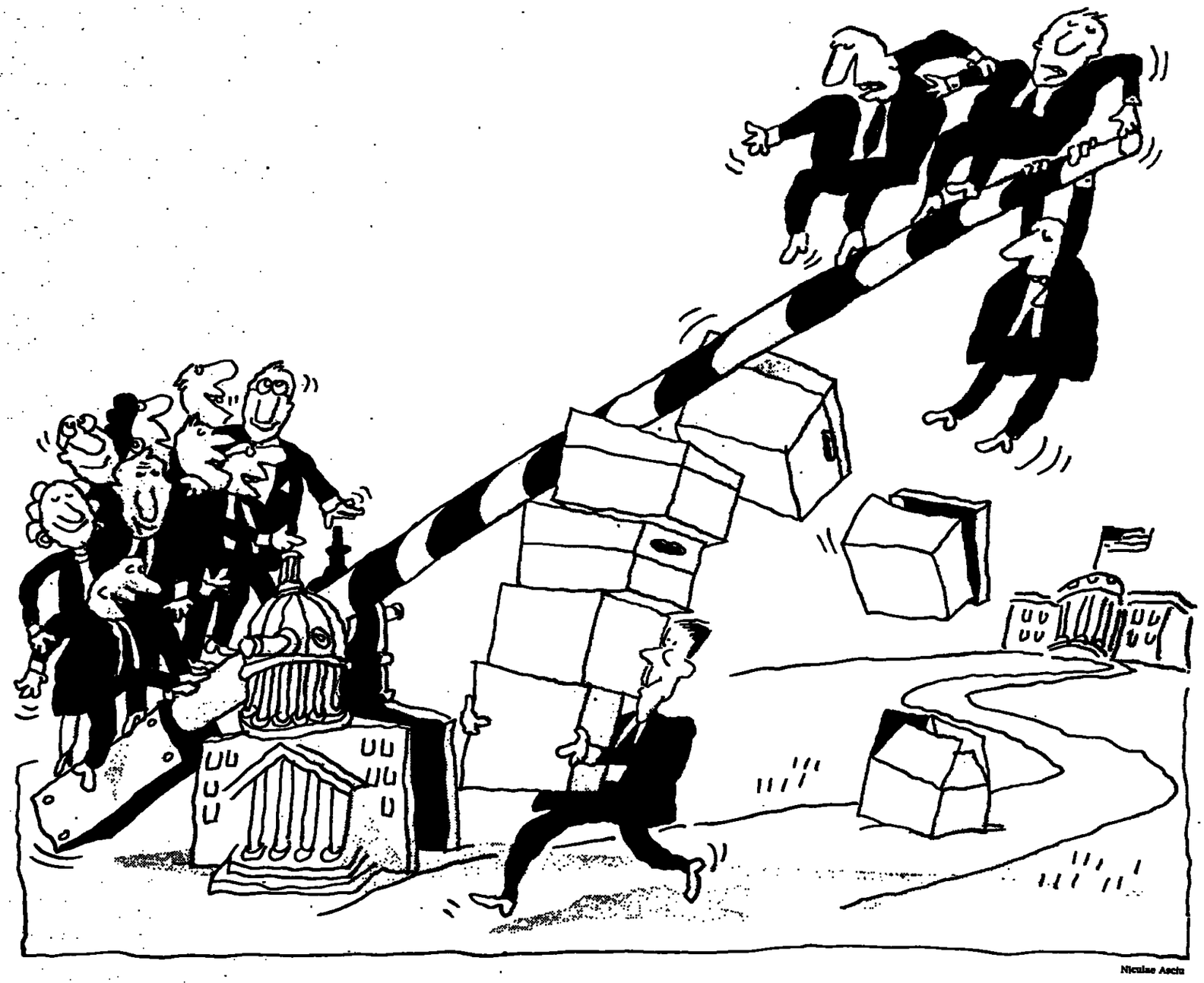
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WEEKLY REVIEW

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Time's Up



Nicolae Ascia

Congress Leaves With A Lot Still On Its Mind

By STEVEN V. ROBERTS

WASHINGTON

As Congress rushed for the doors and its summer holiday last week, its members could point to some notable accomplishments. But a longer list of pressing problems was left unresolved, and a cloud of tension and frustration hung over Capitol Hill as the legislators adjourned, looking ahead to an election less than three months away that would determine control of the Senate and the fate of President Reagan's programs.

Capitol Hill has resembled a tug of war this summer, but the teams are constantly changing. Often it has been Congress on one side and the White House on other as the lawmakers try to appeal to the voters and the Administration seems increasingly concerned with global arguments and the judgment of history. At other times, the rope has been grasped by Republicans on one side and Democrats on the other, each pulling for partisan advantage. As one Democratic aide put it recently, "It's gotten to be almost like guerrilla warfare around here."

In an important sense, the tug of war is taking place on President Reagan's home field. After almost six years in office, he has shaped basic values that many lawmakers no longer question. They fight over how to cut the budget, not how to add to it. They struggle over how much to limit his space-based missile defense program, not whether to eliminate it. They scrutinize his judicial nominees, but with one exception have approved them.

Yet on many specific issues, the President seems increasingly out of step with Congress, Republicans and Democrats alike, and the White House team is having trouble holding its ground.

As for last week's legislative scorecard: the Senate gave final approval to the President's request for $100 million in aid to the Nicaraguan rebels, then endorsed despite his strong opposition a program of stiff sanctions against the Government of South Africa. The House completed action on a huge measure outlining military programs for 1987. Early yesterday both chambers passed a temporary increase in the national debt ceiling, to $2.111 trillion, that would allow the Government to borrow money until mid-September.

On the negative side, only 3 of the 13 annual appropriations bills, which permit the Government to actually spend money, have passed both chambers. Not one has become law. A measure that would repair last year's budget-balancing legislation, a key provision of which was declared unconstitutional by the Supreme Court, never reached a House-Senate conference; a last-minute attempt to attach the revision to the temporary debt ceiling bill was shelved by the House. Legislation to carry out deficit reductions mandated by the budget law foundered. Tax writers from both houses struggled for weeks toward a compromise on a tax overhaul bill, and worked into the weekend after their colleagues had left town. Trade legislation remains stalled in the Senate; two weeks ago, the House failed to override a veto of a bill setting new textile quotas.

The sluggish pace reflects political and structural tensions that affect almost every initiative in Washington these days. A primary problem is disagreement over the legacy of the 1984 elections. The White House contends that since President Reagan won 49 states, he has a mandate to enact his conservative platform. Many politicians of both parties insist that Mr. Reagan won largely because of his personal appeal, not his policy agenda.

'No Consensus'

As the events of last week demonstrated, each side has a point. After a lengthy and arduous battle, Mr. Reagan won Senate support for what he calls the "freedom fighters" battling the leftist Government of Nicaragua. Yet he used a great deal of political capital in doing so. Senator Edward M. Kennedy, a Massachusetts Democrat, summed up Congress's bitter division: "There is no consensus for war here in the Senate or among the American people." On sanctions against Pretoria, "it is time for the world to understand," said Joseph R. Biden Jr., a Delaware Democrat, "that President Reagan does not speak for the American people on this issue."

The elections of 1986 have also soured relations between the Administration and the Congress. A good example is the military spending bill.

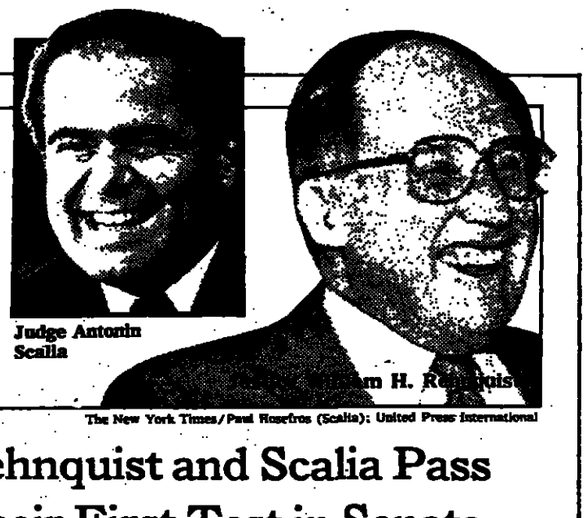
Mr. Reagan continues to insist that the nation's security, as well as its bargaining position with the Soviet Union, requires continuing increases for the Pentagon. But many lawmakers are convinced that the broad consensus that supported Mr. Reagan's military buildup during his first term has been corroded by budget pressures and horror stories about waste. Even Republican candidates are running commercials denouncing the Pentagon for spending $600 on toilet seats. Accordingly, the House adopted amendments that slashed spending for the President's space-based missile defense system; delayed testing of nerve gas and anti-satellite weapons, and mandated adherence to the Strategic Arms Limitation Treaty of 1979. In an unusually angry response yesterday, Mr. Reagan accused the House of waging "a reckless assault on the national defense."

The mounting anxiety over the November election has reached the snapping point. The Senate majority leader, Bob Dole, and Senator Robert C. Byrd, the minority leader, engaged in an extraordinary clash on the floor recently that moved one Republican aide to remark: "I sat there thinking, 'Thank God, it's finally happened.'"

The Democrats need a net gain of four seats to recapture control of the Senate next year, and Mr. Dole is using his powers as majority leader to control the flow of legislation and so shape the political situation on the floor. As a result, said one aide to the Democrats, the minority party has a "general feeling of being put upon." In response, the Democrats have advanced a series of amendments on many bills, such as South Africa, designed to force Republicans into making potentially damaging votes. Senator Daniel J. Evans, a Washington Republican, complained that it was no fun being forced "to walk off one plank after another."

Control of the Congress has been divided between the two parties for almost six years. That has happened only once before, in the 1880's, and the conflicting messages sent by the electorate are clogging the channels on Capitol Hill. Perhaps the best example is the tax overhaul bill. Although the two chief negotiators, Senator Bob Packwood, Republican of Oregon, and Representative Dan Rostenkowski, Democrat of Illinois, privately hammered out an agreement early yesterday, they had lost most of the summer while the bill was mired in conference. The basic problem separating the two chambers was that the Democratic House wanted to raise taxes on business, and the Republican Senate was balking. Senator John H. Chaffee, a Rhode Island Republican, put it this way: "We do not feel that business, which means jobs, can take another hit."

In the early hours of yesterday morning, Senator Phil Gramm of Texas warned his colleagues that they faced a "legislative train wreck" in September. As they left the Capitol just before dawn, they could already hear the approaching engines.



Judge Antonin Scalia

William H. Rehnquist

The New York Times/Paul Hosefros (Scalia); United Press International

Rehnquist and Scalia Pass Their First Test in Senate

THE Senate Judiciary Committee, divided, doubtful and tired, rendered its decisions last week on President Reagan's Supreme Court nominees. The Senators voted 13 to 5 to recommend the confirmation of William H. Rehnquist as Chief Justice of the United States, then unanimously approved Antonin Scalia's nomination to succeed him as an Associate Justice.

Senators who opposed the Rehnquist nomination, and some who supported it, offered many reservations. Senator Charles McC. Mathias, Republican of Maryland, cited testimony, contradicted by Justice Rehnquist, that he intimidated minority voters at polling places in the 1960's. Senator Patrick Leahy, Democrat of Vermont, criticized his participation in a 1972 Supreme Court vote to dismiss a suit that he had opposed as a Justice Department official. Senator Paul Simon, Democrat of Illinois, said, "His vision of the law clearly alienates large numbers of American citizens." And Senator Edward M. Kennedy, Democrat of Massachusetts said, as he did when hearings opened July 29, that Mr. Rehnquist was "too extreme to be Chief Justice."

On the other side was, among others, Senator Alan K. Simpson of Wyoming, who called the proceedings "a puerile exercise in Justice-bashing."

The 10 Republicans on the committee, including Senator Mathias, voted to recommend confirmation. The dissenters, all Democrats, were, in addition to Senators Kennedy, Leahy and Simon, Senators Howard M. Metzenbaum of Ohio and Jospeh R. Biden Jr. of Delaware.

As to Mr. Scalia, the Senators had less to say. A Reagan appointee on the Federal appeals court for the District of Columbia, he is regarded by many scholars as more conservative than Justice Rehnquist, and several Senators made a point of saying they were voting for him despite the views.

Still, Mr. Rehnquist's opponents promised an attack on his philosophy in debate before the full Senate. Votes on the nominations are expected in September.

More Help Is Promised for the Middle West

Reagan, the Free Market and the Farm

By WILLIAM ROBBINS

KANSAS CITY, MO.

As they often do, sometimes with telling effect when a program comes under fire, farmers have begun to treat the Reagan Administration's farm policies with bitter humor, as a North Dakota Democrat did the other day.

"There's a joke going round up here," said Scott Stofferahn, a grain and livestock producer. "They're saying if we can get our prices down just a little lower we can start making some money. It's like the fellow that bought a truckload of hammers for $1 apiece to sell for 95 cents — he was going to make a go of it on volume."

Mr. Stofferahn was reflecting a farm-country mood that the White House sought to combat last week with expressions of compassion and action.

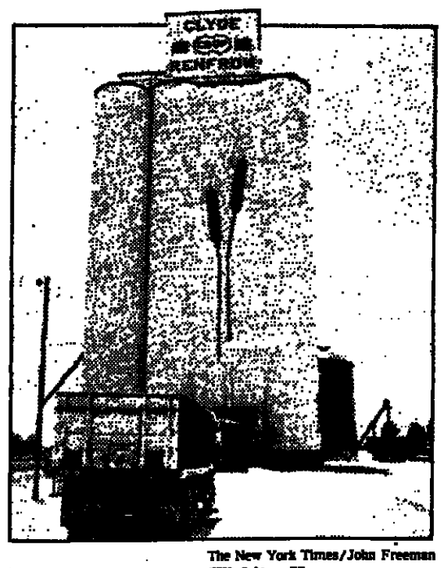
On Tuesday, President Reagan traveled to the Middle West to promise help in one of the latest agricultural crises, a severe grain-storage squeeze.

On Thursday his chief of staff, Donald T. Regan, in a meeting with a half-dozen rural members of the House of Representatives, promised still more initiatives, among them the appointment of a special assistant for agriculture and rural development.

The new concern for farmers, who are in the throes of their deepest economic distress since the Depression, stirred some skepticism, coming as it did on the threshold of a new political season. But it also stirred hope among Republicans that they would retain control of the Senate through the re-election of some beleaguered Middle Western colleagues.

"We've got ourselves a soap opera," said Varel Bailey, a farm policy adviser to Iowa Republicans who is also chairman of the board of the National Corn Growers Association. "This is one episode. There will be others."

The actions, many farmers and agricultural experts say, also underscored the deepening problems that have accompanied the Administration's "market-oriented" farm program. It is a program now frequently described as an experiment that is failing with costly, possibly long-term and wrenching, consequences for the nation's food producers. A reflection of that view was the announcement that 54 percent of the wheat producers polled by the Government said they would like to see strict controls on production to try to get prices higher — a result Secretary of Agriculture Richard Lyng said was meaningless because only 22 percent of eligible growers had responded.



The New York Times/John Freeman

A grain elevator near Wichita, Kan.

The President's promise of new aid was widely welcomed. It dealt with a serious problem that could confront many Middle Western farmers with devastating losses. In contrast with the drought-stricken South — for the problems of which President Reagan said last week a study group would be named — the Midwest has produced so much grain that farmers have no sheltered place to put it.

Mr. Reagan promised that even unsheltered grain, which normally would not be qualified, would be approved as collateral for price-support loans. Including unsheltered grain could increase the cost of farm programs in the 1987 fiscal year by $500 million to $600 million, some experts say. And as he made the promise, Mr. Reagan reminded farmers that his Administration was spending more to help them this year than any other Administration had ever spent in its full tenure.

It was a reference that underscored for some, such as Larry Hall, president of the Nebraska Farmers Union, the failure of the Reagan experiment.

The President came into office proposing a "market-oriented" farm policy. Agriculture's problems, Administration officials said, were a result of high price supports that had encouraged worldwide overproduction and enabled foreign producers to undersell Americans overseas. What was needed, they said, was a policy that would unleash America's agricultural might and allow United States farmers to meet their competitors on even terms.

The policy debate went on against a background of increasing despair among farmers burdened with crushing debts, rising surpluses and falling prices. But in the Food Security Act of 1985 Congress largely gave the Administration the kind of farm program it had sought, one that cut price supports sharply, to levels officials hoped would be competitive enough to recapture lost markets. A separate provision raised subsidies to help offset the price-support cuts.

One result, as Mr. Hall noted, has been the climbing outlays President Reagan cited. Administration officials estitmate the cost in this fiscal year at about $26 billion; others say the bill could climb to $30 billion or even $35 billion.

So far reduced prices have done little to recapture exports, the grain glut has become the largest in history, farmers continue to lose their land and their despair goes on unabated.

"This whole business just points up the folly of the present program," said Mr. Hall. Then he voiced a fear that is widespread among farmers but often left unspoken.

"One of these days," he said, "the non-farm society is going to say 'Hey, wait a minute.' They are going to look at these costs and say 'Hey, there's got to be a better way.' And they will be right."

The World

South Africa Remains Defiant As Pressure Rises

South Africa's white leaders remained firm last week in the face of a rising tide of opposition to their racial system and the Draconian measures supporting it.

The United States Senate voted overwhelmingly, 84 to 14, to impose an array of sanctions that ban imports of South African steel, textiles, uranium, coal and agricultural products. South African Airways would lose its landing rights. New American investments and bank loans to Government agencies would also be banned. The measures were sent to a conference committee to resolve differences between the Senate bill and a more stringent House version.

South Africa's Defense Minister, Magnus Malan, warned neighboring black states supporting sanctions that South Africa's whites have "not even started to use our muscle." Another Cabinet member repeated the Government offer to let blacks elect a national advisory council, which no black leader has endorsed. A third Minister warned Bishop Desmond M. Tutu and the Rev. Allan Boesak that their support for sanctions "borders on treason."

As the state of emergency entered its third month, there were these developments:

- Some 600 of an estimated 10,000 political detainees reportedly started a hunger strike. The authorities denied the report but conceded that hunger strikes had occurred.
- To protest racial laws, 300,000 black householders were said to be withholding $11.5 million a month in rent payments.
- About 300,000 black high school students who are boycotting classes to protest the stationing of security police in schools have reportedly been expelled.
- Demonstrators s at five English-speaking universities called for an end to the emergency, saying the detentions have obstructed their work.
- A provincial supreme court invalidated regulations permitting detention without charge or trial. Another court ruled the opposite way. The issue was appealed to South Africa's highest tribunal.

Pakistan Jails Benazir Bhutto

Benazir Bhutto said she was testing President Zia ul-Haq's contention "that democracy exists" in Pakistan, but the authorities saw it differently. Eluding a police blockade, the 33-year-old opposition leader made a brief speech last week in defiance of the Government's ban on independence day rallies. When she got home, the police surrounded the house and jailed her on a 30-day detention order.

The Government had arrested more than 1,000 dissidents to forestall a show of opposition strength. By Pakistani standards, the crowds were not large, but thousands of people turned out in the most extensive political unrest since martial law was lifted in December. In Lahore, at least four people were killed when the police fired on 1,000 demonstrators they said were threatening a police station.

The State Department criticized "the numerous arrests, including that of Benazir Bhutto."

Distancing himself — at least geographically — General Zia was away last week on a pilgrimage to Saudi Arabia.

Miss Bhutto is the daughter of Prime Minister Zulfikar Ali Bhutto, who was overthown by General Zia in a 1977 coup and hanged in 1979. She and her allies in the 11-party Movement for the Restoration of Democracy have demanded elections and the removal of the Government by the end of the year. Prime Minister Mohammad Khan Junejo insists that the Parliament will serve out the five-year term to which it was elected in 1985.

Serendipity In Newfoundland?

The ancient name of Sri Lanka was the Isle of Serendip, the home of three princes always surprised by their good luck. But for the 155 Sri Lankans rescued in two lifeboats off Newfoundland last week, much of the good luck seemed to have been planned and prepaid.

The refugees, brought ashore by Canadian fishing boats, sought political asylum. Through translators, they told authorities that they are Tamils, members of the Hindu minority that is fighting for autonomy against the Sinhalese Bhuddist majority in Sri Lanka.

No one doubted the refugees' origins, but the stories they told of their voyage to Canada were choppy and foggy. They said they had paid $2,500 to middlemen in India, embarked in Madras on a ship they could barely describe and stayed below decks until they were put into the lifeboats from which the ship's name had been obliterated and had been drifting for five days.

As television pictures of their arrival spread around the world, some of the Tamils were recognized in West Germany, where 35,000 Sri Lankans have sought refuge since 1980. Then a German police official said the refugees had actually sailed from a north German port near Bremen in a smallish coastal steamer flying a Honduran flag, whose captain was said to have been paid $340,000 for the job. Canadian authorities said their immigration laws might have been violated, but the refugees will probably be allowed to stay for at least a year.

More Deaths In Lebanon

Last week's violence in Lebanon cut three ways. Christians fought Christians, Shiite Moslems battled United Nations peackeeping soldiers and Israelis attacked Palestinians.

In predominantly Christian East Beirut, forces loyal to President Amin Gemayel fought with supporters of Samir Geagea, the pro-Israel commander of the Lebanese Forces militia. Mr. Gemayel's nephew, Fuad Abu Nader, and 10 bodyguards were wounded in an ambush. A car bomb killed 20 people.

In southern Lebanon, a regional leader of Amal, the mainstream Shiite militia, and a bodyguard were killed in an altercation with a United Nations peacekeeping unit. Later, in militia attacks on United Nations positions, 18 French soldiers were wounded and a third Shiite was killed.

The Israeli attacks followed the firing of Katyusha rockets into the so-called security zone close to the Israeli border. Helicopter gunships hi: Palestinian positions near Sidon. The next day, jets attacked locations the Israelis described as bases of Syrian-backed Palestinians in eastern Lebanon. The Palestinians said eight people had been killed.

Milt Freudenheim, James F. Clarity and Richard Levine

IN BRIEF

Another Try in El Salvador

In six years of civil war in El Salvador, more than 50,000 people have been killed, almost as many as the number of Americans killed in Vietnam. Last week, the Government and the leftist guerrillas agreed to meet again in an effort to get peace talks moving.

Negotiations broke off in 1984 in bitterness and recrimination that led to more fighting.

President José Napoleón Duarte said the meeting would take place Wednesday in Mexico City to plan for detailed negotiations in El Salvador, probably next month.

It was not widely expected that the two sides would quickly reach major agreements. But there was speculation that the guerrillas might ask for several political gestures such as the release of labor unionists arrested in recent months, investgations into aerial bombardments of civilians, reduced food prices and the return to their villages of refugees who went to Government camps to avoid the fighting.

Indian General Who Raided Temple Is Slain

In 1984, Gen. Arun S. Vaidya, the Chief of Staff, supervised the Indian army raid on the Golden Temple at Amritsar, the holiest shrine of the nation's Sikhs. Hundreds of Sikhs were killed. Then General Vaidya, a Hindu, began to receive death threats from Sikh extremists and was said to be high on a Sikh assassination list.

Last week, the 60-year-old general, who retired as India's most-decorated soldier, was shot to death by four gunmen as he rode in a car in the western city of Pune.

The central Government braced for new outbreaks of violence between Hindus and Sikhs. It pushed through legislation enabling it to take direct control of the battle against Sikh terrorism. Now the central Government can directly legislate on issues involving public order, the police, prisons, courts and legal offenses in Punjab and three other states.

Officials Say a U.S. Agent Was Tortured in Guadalajara



Gamma-Liaison/Laura Heagland

Mexican official with marijuana confiscated during a raid on a plantation in northwest Mexico.

Mexico's Drug Effort Will Also Be Home-Grown

By WILLIAM STOCKTON

MEXICO CITY

IT was no coincidence that while President Miguel de la Madrid of Mexico discussed drug trafficking with President Reagan in Washington last week, the Mexican Attorney General's office was launching a new anti-drug campaign. Twenty-five helicopters and a large crop-dusting plane — financed with American aid — took to the skies over four northern Mexican states in search of marijuana soon to be harvested for shipment across the border. The spraying is to last through February, so it will catch the 1987 opium poppy season.

What Mexico wanted most from Mr. de la Madrid's trip was the assurance of additional help to bolster an economy thrown into crisis by the collapse of oil prices. While both sides have been careful not to link economic aid with the anti-drug trafficking effort, the Mexicans knew that the price for substantial economic concessions would be promises of greater efforts to stem the flow of drugs.

"We see drugs as one of the major issues in the fall elections for Congress, and we know that is going to affect us and our relations," said a senior Mexican official. President Reagan, for his part, did not dwell on the two countries' differences, notably on Central American policy.

The mood was soured, however, by an incident in Guadalajara where, even as the two Presidents were meeting, Mexican police detained an American drug enforcement agent, and tortured him, according to the Americans. The next day, Attorney General Edwin Meese 3d protested to Attorney General Sergio García Ramírez of Mexico, who has launched an investigation.

After the visitors departed, the United States issued a stiff public protest to the Mexican Government. It denounced "the unprovoked and totally unjustified detention and torture" of Victor Cortez, an undercover agent credited with having been instrumental in major cocaine seizures. Mexico admitted having arrested Mr. Cortez, who did not carry identifying papers or a gun, as he sat in an unmarked car talking with an armed Mexican informant. A spokesman for Mr. García Ramírez denied that Mr. Cortez had been tortured. American officials said he had been taken to Jalisco state police headquarters, blindfolded, kicked, shocked with a cattle prod and subjected to other abuses. He was later released and flown to the United States.

Mr. Meese remained silent earlier, when other American officials harshly criticized Mexico's drug-enforcement performance. But last week he said: "There is no question that our agent was badly mistreated, and we're not going to stand for this kind of conduct."

Sovereign Barriers

During the visit to Washington, President de la Madrid publicly pledged greater Mexican cooperation in the anti-drug effort. But he also made it clear that there are limits to what Mexico will accept. It will not, for example, tolerate joint military or police operations with the United States on Mexican soil, as Bolivia has.

"We Mexicans think that combating drug trafficking in the case of Mexico should continue to be carried out exclusively by the Mexican army and the Mexican police," Mr. de la Madrid said in an interview before his Washington trip. "I think it is enough that there be good collaboration between the police of the two countries. It is not suitable to permit United States police to operate in Mexico or Mexican police in the United States." He was also quick to deny published reports that he had agreed — as part of the United States plans announced last week to spend an additional $266 million to increase and improve surveillance at the border — to permit American drug agents to fly into Mexican territory in pursuit of aerial traffickers.

What Mr. de la Madrid did not say was that Mexican perceptions of the United States have been formed by more than a century of fears — not always unfounded — of Yankee interventionism. To permit the American police to cross the border would create an unbearable political storm in Mexico.

Collaboration, the Mexican President believes, will come best through the sharing of information, which has begun to improve as a result of recent meetings between Mr. Meese and Mr. García Ramírez. An obvious next step, but a formidable one, would be to move the exchange of information to the operational level, with the Mexican Attorney General's agents working directly with American customs and Drug Enforcement Administration agents.

Although American officials do not doubt the honesty and integrity of the top officials in Mexico's anti-drug campaign, there is substantial evidence that at lower levels the police and some of their commanders are deeply involved in trafficking. "It is well known that narcotics traffickers have penetrated the ranks" of the police in Jalisco, where Mr. Cortez was apprehended, a senior Federal official said. The police there repeatedly demanded that Mr. Cortez identify his fellow American agents in the area.

In view of such developments, American agents on the border are likely to greet the idea of additional collaboration with more than a little skepticism.

Local Governments Are Revamped

Aquino Is Pulling Up the Establishment by Its Roots

By SETH MYDANS

MANILA

IN the central Philippines town of Cadiz, protesters barred a newly designated mayor from entering the town hall last week. In three towns just north of Manila, nobody seemed to be in charge; two mayors claimed the office in each of them. In the little town of Bongao, one of the most southerly in the archipelago, the military was negotiating with a reluctant mayor, attempting to persuade him to give way for his replacement.

Throughout the 7,000 islands of the Philippines, much of local government has been in turmoil as the result of a dramatic and unorthodox exercise in power politics. Since coming to power last February, the Government of President Corazon C. Aquino has methodically removed 76 provincial governors, 1,600 mayors and more than 10,000 local council members, replacing them and their deputies with her political supporters.

The scramble for new jobs has been fierce, and it has often met the equally fierce resistance of incumbents who refuse to step aside. "Nothing that the Aquino Government has done has been as controversial as the revamp of the local governments," wrote Belinda Olivares-Cunanan, a columnist for the Daily Inquirer.

The Marcos Connection

The uprooting of the political establishment is one of the most overtly political and hard-headed acts undertaken by Mrs. Aquino, who is generally seen as motivated by moral and idealistic concerns. But in this and other controversial programs, Mrs. Aquino has managed to avoid criticism by delegating them to a Cabinet minister who makes most decisions and bears the consequences. In this case, the official is Aquilino Q. Pimentel, the Minister of Local Government, who has become one of the most controversial Cabinet members, accused of using the appointments to further his own ambitions.

Mr. Pimentel denies this, saying he is performing an essential service in removing men associated with the former President, Ferdinand E. Marcos, who could have blocked Mrs. Aquino's programs. "Most of them had covered up for him, had cheated for him, had terrorized for him, had killed for him," Mr. Pimentel says.

The local officials, more than 90 percent of them elected on tickets supported by Mr. Marcos, are being replaced by temporary "officers-in-charge" who will probably be asked to step down before local elections early next year.

Although many of the changeovers have gone smoothly, a number have generated local and nationwide controversy, and some have led to armed confrontation as incumbent officials refuse to give up their offices.

The program also has been plagued by bogus officers-in-charge who have sometimes used forged credentials. There are accusations of bribery, fraud and favoritism. On the southern island of Sulu, the new governor, Indanan Anni, managed somehow to get mayoralties or other posts for his wife, his son, two brothers, a brother-in-law and two nephews-in-law.



Woodfin Camp/Charlyn Zlotnik

Demonstrators in San Juan, the Philippines, protesting the Government's removal of their mayor earlier this year.

Mr. Pimentel, in a recent interview, made no bones about what he has been up to. "We have done what we had to," he said. "We had to eliminate the tentacles of the Marcos Government at the local level and in the process build a base of local support for Mrs. Aquino." Asked whether he might sometimes in the process be replacing competent officials with less competent people, he said, "Of course. Of course we have done that." He said his main criterion for appointment was "support for Cory." Asked whether citizens might then suffer from inferior local administration, he said, "Of course we look for at least minimum qualifications and ability to run a community." But he added, "Well, who determines competence? In politics that's a rather difficult question. These are highly political posts."

Disgruntled Allies

When his appointees prove to be egregiously incompetent, Mr. Pimentel said, he quietly replaces them. One suburb of Manila has already had three appointed mayors.

Mr. Pimentel's home and office have virtually become campsites for job seekers, most of whom he turns away saying he will deal with their towns in an orderly way. He says he consults local politicians, civic and church organizations in filling the thousands of jobs.

Much of the criticism of Mr. Pimentel has come not from the ousted officials but from within the Government, particularly from Vice President Salvador H. Laurel and members of his Unido Party. They argue that their backers are being given fewer posts than those of Mr. Pimentel's P.D.P.-Laban Party. The parties formed a tenuous alliance behind Mrs. Aquino in the election campaign but are now fighting for dominance.

As Minister of Local Government, Mr. Pimentel, who was a founder of P.D.P.-Laban, wields a considerable advantage. He cites statistics that he says show he has not favored his party in selecting officials. Mr. Laurel vigorously disagrees.

Whoever is right, one result of Mr. Pimentel's three months of work has been an increasingly open split between the two parties, which had managed to unite behind their non-politician candidate. As the local elections approach, Mrs. Aquino, forced to employ politics as President, may face the dissolution of that fragile unity.

If Desperation Has Set In, Does It Mean More Death or Less?







Nationalist Roman Catholics parading in the Falls Road area of Belfast last week (left); Peter Robinson, a Member of Parliament and a leader of hard-line Democratic Unionist Party of Northern Ireland, being carried by Protestant supporters during celebration of Apprentice Boys day in Londonderry; an I.R.A. gunman

Sygma/Alain Nogues (Catholics); Magnum/Gilles Peress (Robinson and I.R.A. gunman)

The I.R.A. Is Pointing Its Rifle at the Working Man

By FRANCIS X. CLINES

BELFAST, NORTHERN IRELAND

JOHN KYLE was not known to be heavily political in the pursuit of his quarry business in County Tyrone, Northern Ireland. This made it puzzling, and all the more terrifying, when the community heard how a lone gunman quietly approached Mr. Kyle as he sat at his glass in a pub in Omagh three weeks ago and shot him to death. The Irish Republican Army soon explained that because he was supplying cement and stone for the construction of a police station, Mr. Kyle was liable to execution for abetting the British "war machine."

As Mr. Kyle's friends from both Protestant and Catholic neighborhoods wept at his funeral, British and Irish officials pointed to the assassination as a sign not of tactical success but of desperation within the I.R.A. Perhaps so, but that same day a major construction company took the hint and announced it was canceling its business at the province's security projects and laying off 39 workers from the community. Several other businesses followed suit after the I.R.A. issued a broadened threat to target such mundane laborers as telephone technicians, vending machine workers, cleaning contractors, bread and milk suppliers and the bus companies that have agreed to transport British troops in the province.

If there are increasing signs of desperation in the I.R.A., as officials in London and the Irish Republic contend, the real question for those on the front lines of everyday life along the border is whether this means more death or less. Terrorist strategists make the case that desperation can be a strength as easily as a weakness, and since its modern reincarnation 17 years ago, the I.R.A. has shown an ability to survive as a lean and wily paramilitary organization waging what it sees as justifiable guerrilla warfare on Britain against its continuing partition of Ireland.

Lately, however, I.R.A. watchers insist there is evidence that the organization is having more trouble raising funds and running guns to its underground units. The money is thought to be down because, with Britain trying a new pacification initiative, there is no broadly dramatic cause to underline for contributors, such as the 10 starvation deaths by young I.R.A. members protesting prison conditions five years ago.

I.R.A. spokesmen scoff at talk of their possible withering. They note that the organization still can bomb a police station when it wishes, as it did last week. Police concede they cannot stop all deadly gambits, but they point to the seizure of hundreds of rifles in a recent raid in Sligo, in the South. This was significant, officials say, because it involved close intelligence cooperation between the police of the Royal Ulster Constabulary in the North and the Garda of the Republic of Ireland in the South.

Also last week, a package shipped from Chicago burst open in a Dublin post office, revealing an arms cache that included an anti-helicopter rifle — a desperately amateurish way to send arms, in the view of encouraged officials.

Cooperation between the police forces along the border of Ireland and Northern Ireland has been the single most easily enacted provision of the nine-month-old Anglo-Irish treaty that was designed to pacify the North. Under it, Dublin is being consulted for the first time in an attempt to bolster the civil rights of the North's Catholic minority. This is supposed to reduce the I.R.A.'s ability to portray itself as the only group standing up to abuses from the Protestant majority.

In the public relations skirmishing that is a serious second front in the troubles, officials of the Republic say it was joint North-South police action, not any I.R.A. vigiliance, that intercepted a prominent leader of the Protestant loyalists, Peter Robinson, when he recently crossed the border on a flamboyant midnight protest to a sleeping Catholic hamlet.

Sympathizers of Sinn Fein, the political party closely related to the I.R.A., are skeptical of the treaty, noting that it does not guarantee an end to the courtroom practice under which a single judge can convict accused I.R.A. members without benefit of jury and solely on the testimony of one of the protected informers that the Northern police, adapting a British slang term for informer, refer to as "supergrass." Appeals courts have thrown out some of these convictions, and Irish Republic officials say they will press the British to change this practice under the cooperation treaty.

Gerry Adams, the leader of Sinn Fein, says the new death threat is directed at only a small part of the labor force and is justifiable because the targeted workers relieve British troops and provincial police of various tasks "so that they are free to terrorize Irish people on a daily basis on our streets." The authorities believe, however, that Mr. Adams tried to minimize the threat's extent after he realized it alarmed the Catholic minority, which is hard-pressed for work of any sort.

Some officials say that separate I.R.A. cells, increasingly under pressure, may be performing freelance killing in isolation, alarming the more politically attuned activists like Mr. Adams. In any case, the true extent of the threat will be measured in deeds of violence. "There will be no further warnings," the I.R.A. declared in its threat, stark as the black ski masks that some of its combatants donned the other day in offering a photo opportunity to visiting American sympathizers.

The Russians Are Still Hedging on a Date for a Summit

At a Dacha Outside Moscow, Diplomacy in Hushed Tones



The New York Times/Paul Hosefros

Paul H. Nitze (left), head of United States arms negotiation team, briefing Secretary of Defense Caspar W. Weinberger last week at the Pentagon on his talks in Moscow.

By PHILIP TAUBMAN

MOSCOW

THE sight of Richard N. Perle, an Assistant Secretary of Defense and implacable critic of the Kremlin, huddling with Soviet officials outside Moscow last week spoke eloquently of the improved but still uncertain prospects for a meeting this year between President Reagan and Mikhail S. Gorbachev.

The fact that Mr. Perle was in the Soviet Union for the first time was evidence that the high-level arms talks that brought him here were of pivotal importance. But his presence, along with that of six other senior American officials, was also an indication that the Geneva arms talks were stalled and extraordinary steps were required to narrow differences if a summit date is to be set in 1986.

Judging by the number of recent meetings between American and Soviet officials, including the arms talks here and recent discussions about human rights and other issues in Washington, momentum toward a summit was building. American officials said the various discussions were part of the preparations for an almost certain visit by Mr. Gorbachev to Washington before the end of the year, although no date has been set.

Asked at a nationally broadcast news conference in Chicago whether he was optimistic about a meeting before the end of the year, Mr. Reagan said, "Yes, I'm optimistic."

But Soviet officials saw things differently. They said Mr. Gorbachev had no intention of committing himself to visit Washington until he sees the results of a mid-September meeting between Secretary of State George P. Shultz and Foreign Minister Eduard A. Shevardnadze. The talks this summer, they stressed, were aimed at laying the groundwork for that ministerial meeting, and all bets on a summit would be off if the two sides remained far apart on arms control issues.

"We're still at the beginning stage of preparations for the Shultz-Shevardnadze meeting," said Gennadi I. Gerasimov, the chief Foreign Ministry spokesman.

Both sides agreed that there had been no breakthroughs at the arms talks last week at a dacha in the woods outside Moscow. But both described the talks as serious and substantive and announced that they would be resumed in Washington, probably in early September. The sylvan setting here seemed to lend itself to quiet diplomacy, and both sides refused to divulge much about the discussions or to say whether progress had been made.

Administration officials later said in Washington that the talks dealt with the question of whether, and for how long, the 1972 anti-ballistic missile treaty could be extended to delay development of Mr. Reagan's space-weapons program, formally called the Strategic Defense Initiative and popularly known as "Star Wars."

Both Washington and Moscow see the treaty as the key to devising a possible arms control compromise in which work on the future defensive system would be slowed as part of a deal to reduce offensive nuclear forces. The two sides, however, are far apart on how long the treaty should be extended, with Mr. Reagan proposing 5 to 7 years while Mr. Gorbachev has suggested 15 to 20.

'Impotence As Virtue'

There is also disagreement on whether restrictions in the treaty on the development of new defensive systems cover the kind of advanced technologies planned by Washington. Mr. Gerasimov, noting that some American officials have said the mid-1990's would be the earliest date for deployment of space weapons, scoffed that the Reagan offer presented "impotence as a virtue."

Western diplomats said Moscow also realized that Congress, skittish about budget deficits and Reagan defense policies as the midterm elections approached, could influence Mr. Reagan's bargaining position. On Tuesday the House voted to cut by 40 percent the proposed 1987 budget for the space-based missile defense program and the next day approved a one-year moratorium on the testing of an anti-satellite missile in space. The Republican-controlled Senate is unlikely to endorse those measures.

Some American officials believe that Moscow's reluctance to set a summit date is primarily a tactic intended to pressure Washington to make concessions. They believe that in the end Mr. Gorbachev, faced with a sluggish economy and a need to keep defense spending down, will go to Washington to keep the summit dialogue on track, even if there is no arms control agreement.

Texts for the talks

Agreements relevant to a summit later this year that are under discussion by United States and Soviet Union

Treaty and date signed	Significance	Major provisions
Anti-Ballistic Missile Treaty May 26, 1972	First treaty constraining ABM technology	Limits deployment of ABM interceptors to one site with 100 launchers; restricts testing of ABM systems; limits placement of large radar systems with ABM capability
SALT I: Interim Agreement on Offensive Arms May 26, 1972	First treaty limiting strategic weapons	Freezes numbers of intercontinental and sea-launched ballistic missiles
Threshold Test Ban Treaty* July 3, 1974	First treaty to include cooperative measures for verification	Limits underground nuclear weapons tests to yield of 150 kilotons
Peaceful Nuclear Explosions Treaty* May 28, 1976	First treaty to call for on-site inspections of nuclear explosions	Limits yield of individual blasts to 150 kilotons and yield of group blasts to 1,500 kilotons
SALT II: Strategic Arms Limitation Treaty** June 18, 1979	First treaty to significantly limit offensive strategic weaponry; outlines procedures to aid verification by national technical means	Initially limits each side to 2,400 strategic missile launchers and heavy bombers; then reduces such weapons to 2,250; constrains throw weight of some ballistic missiles; bans development of new heavy ICBM and allows development of one new type of light ICBM

*unratified by U.S., but both parties have pledged to observe limit.
**unratified by U.S.; President Reagan said U.S. will exceed limits late this year.

The Nation

House Unit Seeks A Perjury Inquiry In Deaver Case

The troubles of Michael K. Deaver, the longtime friend of President and Mrs. Reagan and the President's former deputy White House chief of staff, deepened last week as a House subcommittee, saying he had lied in sworn testimony, asked an independent counsel to look into the possibility of perjury charges.

The special prosecutor, Whitney North Seymour Jr., is investigating allegations that in the conduct of his multimillion dollar lobbying business Mr. Deaver violated Federal ethics laws that restrict contacts between former top officials and the agencies they worked for.

According to the Energy and Commerce Subcommittee, which unanimously adopted a staff report last week, Mr. Deaver did not tell the panel about a conversation with the President's national security adviser in which he urged tax breaks for Puerto Rico; failed to report contacts with two United States Ambassadors, and gave false testimony about his representation of a defense contractor with the director of the Office of Management and Budget.

It was also reported last week that investigators had broadened their inquiry into the propriety and legality of Mr. Deaver's lobbying for Canada and Puerto Rico to include his business dealings in Asia. Of particular interest was Mr. Deaver's role in setting up an unusual trade-relations meeting between President Reagan and a relatively low-level South Korean official.

Mr. Deaver said he had no plans to cut short a safari in Africa to answer the perjury charges; his attorneys said they were confident that he "will be cleared of any wrongdoing."

All Systems 'Go' For a New Shuttle

NASA finally got the go-ahead for a fourth shuttle last week, but in the process lost some of its mandate and its market. In approving a replacement for the ill-fated Challenger, President Reagan said private industry would henceforth launch commercial satellites, leaving NASA to concentrate on national security payloads. "We believe that the Government getting out of the commercial space business will eliminate a major fear private enterprise has — competing against the Government," said Larry Speakes, the White House spokesman.

The decision was a long time in the making, and the new shuttle will be a long time — seven years or so — in the building. It will cost about $2.8 billion.

The White House says the money, along with more than $500 million for improvements a Presidential commission has ordered for the three existing orbiters, will come from savings the National Aeronautics and Space Administration realizes during what is expected to be a two-year delay in shuttle flights; from cuts in other space programs; from a budget increase of several hundred million dollars, and from other agencies' leftover funds.

Fowler the Victor In Georgia Race

"I will help Wyche in every way that I can," said Hamilton Jordan, President Carter's former White House chief of staff, as he conceded the Democratic nomination for Senator from Georgia to Wyche Fowler Jr., a savvy campaigner with five terms in the House.

Mr. Fowler's 50.3 percent majority in last week's primary seemed to disprove an axiom of Georgia politics that an Atlanta Congressman could not do well in conservative rural areas. But according to current wisdom, he will still need all the help he can get against Senator Mack Mattingly, a first-term Republican with an enormous war chest and President Reagan's backing.

In the Fifth Congressional District in Atlanta, Mr. Fowler's successor will be one of two heroes of the civil rights movement, either State Senator Julian Bond or John Lewis, a former Atlanta City Councilman. Last week they took 47 percent and 35 percent of the vote respectively and face a runoff Sept. 2. Like the bitter primary campaign, the second-round battle between the former comrades-at-arms is expected to strain alliances and divide friends in Atlanta's black community.

The primary race for seats on the Fulton County Commission created no such divisions. The county, which includes Atlanta and its northern and southern suburbs, is evenly divided racially, and the seven-member panel has four whites and three blacks. In November, it will probably have its first black majority. Martin Luther King 3d, the eldest son of the slain civil rights leader and a staff member for the Martin Luther King Center for Nonviolent Social Change in Atlanta, defeated a white incumbent, Milton G. Farris.

In Alabama, meanwhile, Democrats finally got a gubernatorial candidate as the state party agreed with a Federal court panel that the victor in a June runoff won illegally by encouraging Republicans to vote for him.



Associated Press

Representative Wyche Fowler Jr.

But the newly chosen victor, Lieut. Gov. Bill Baxley, may not be the only beneficiary of the ruling against Charles Graddick, the State Attorney General, who said he would appeal the decision. Alabama Republicans hope to turn the Democrats' divisions to their advantage at a time when the state's most enduring Old South figure, Gov. George C. Wallace, is retiring.

U.S. Alters Stand On Bias Cases

Though the Supreme Court rejected last month the Reagan Administration's central civil rights argument — that affirmative action programs involving numerical goals and quotas are invariably illegal — the Justice Department has continued to portray the Court as holding that they are permissible only as a last resort. William Bradford Reynolds, the Assistant Attorney General for Civil Rights, so asserted again last week during the American Bar Association's annual meeting.

Mr. Reynolds also said that the Justice Department was reconsidering challenges it had filed to 51 state and local affirmative action plans. Instead, the Justice Department will give its tacit approval to, and perhaps join in, challenges to voluntary plans brought by unions and individuals.

"It is clear after the Supreme Court decision that to undertake a modification is not really necessary," he said. "A consent decree doesn't bind a whole lot of other individuals who aren't parties."

Caroline Rand Herron

Verbatim: Testing Freedom

'No other nation has a law like our First Amendment. But then again no other Western bloc country has anything quite like the McCarran-Walter Act. We have damaged our own reputation while gaining nothing with enforcement of this law. It is the free exchange of ideas, no matter how outrageous, that has made us strong. I don't think we have to be afraid of any idea. We are very good at testing them when given a chance.'

Kurt Vonnegut,
the novelist, testifying before a Senate subcommittee on a proposal to repeal parts of the McCarran-Walter Act of 1952 that exclude aliens on ideological grounds.

Changes in the Copper Industry and a Region's Economy

Mom-and-Pop Mining Is Stirring in the Rockies

By JIM ROBBINS

BUTTE, MONT.

THREE years after the Anaconda Company said goodbye to Butte, ending more than a century of copper mining here, a new company has bought its holdings. A few weeks ago, the new owner, Montana Resources Inc., began working the dormant Continental pit, and the company said the first shipments would go out this month.

While many people in Butte welcome the revival of copper mining as a step toward economic recovery for a city trying to replace the Anaconda payroll, it is a bittersweet triumph. Where 20,000 miners once worked, 300 will be employed. And where the unions had a stronghold, Montana Resources has announced its intention to maintain a nonunion work force.

The new order here reflects fundamental changes that have swept through the mining industry of the Rocky Mountain West. In the many towns that grew up around ore deposits and accounted for much of the West's population, that industry — the big mining companies and the unions — held sway for generations.

But the era of the company town is drawing to a close. Such places as Butte, Kellogg and Wallace in Idaho; Douglas, Ajo and Morenci in Arizona; Grants in New Mexico, and Leadville in Colorado have seen their only significant employer shut down or drastically scale back operations. Now they and other towns are scrambling to establish a new economic base before they wither and die.

The copper industry, once among the largest employers in the West, has borne the brunt of mining cutbacks. At Butte's peak, in the 20's and 30's, 20,000 miners worked the tunnels here. Over the decades the industry waned. Then, during the 1980's, the price of copper fell from more than $1.30 to 58 cents a pound, and the industry cut back further. The Atlantic Richfield Company, which bought Anaconda in 1977, shut the last of its Montana operations, the Continental pit, in 1983. The pit employed 800 miners.

According to Ed Ball, an international secretary for the United Steelworkers of America in Pittsburgh, the nation had 45,000 copper workers in 1980, while this year there are 15,000. "Eighteen mines, eight smelters and four refineries have closed permanently," said Mr. Ball, "and I don't see any of them coming back."

"I would guess there's more people working in the fast-food industry out here than in copper mines," said Tom Kaufmann, a professor at the Colorado School of Mines who specializes in the metals market. "People say there are no unemployed miners in the West. They're unemployed people, because they'll never be miners again."

New ventures such as the one in Butte are numerous, and many older mines remain open. But their operations are drastically different from a decade ago. Because domestic copper ore is not as rich as foreign ore — 1 percent of the ore in the West is copper, as against 4 percent in Chile — mining is capital-intensive. Wages are generally lower than in years past, and mining's role in the community is much diminished.

"We're not 'the company,'" said Ray Tilman, human resources manager for Montana Resources, referring to Anaconda, which once dominated politics and the economy not only in Butte, a town of 35,000, but most of Montana. "We're just another business in town — bigger than some, smaller than others."

Throughout the West, the search is on for something to replace "the company." Many see tourism as an answer. In Grants, N.M., for example, the uranium industry all but folded in the late 1970's, shutting six of seven mines and reducing the number of miners from 6,000 to 700. The town's population shrank from 13,000 to 10,000. Now, among other things, local officials are working with Senator Pete V. Domenici, the New Mexico Republican, to have El Malpais, a nearby area of old lava flows, declared a national park. Says Ralph McQueary, the chairman of the Cibola County Commission: "We need to get a sign up on I-40 to get tourists to come into town. If we show we have a park here it could really help the local businesses."

History, Research, Skating

Butte has attempted to lure tourists to its World Museum of Mining, and it has had its uptown district added to the National Register of Historic Places. Before Anaconda left, the city attracted two Federal energy research facilities. There is a regional medical center in town, and officials recently broke ground for a speed-skating facility where Olympic athletes are to train.

But mining has been difficult to replace. Jobs in the tourism industry are often near the minimum wage level, and while Montana Resources pays $8.50 to $10.40 an hour, the miners who worked in Butte's union operations made as much as $15 an hour. Still, some believe the city can prosper in the long run.

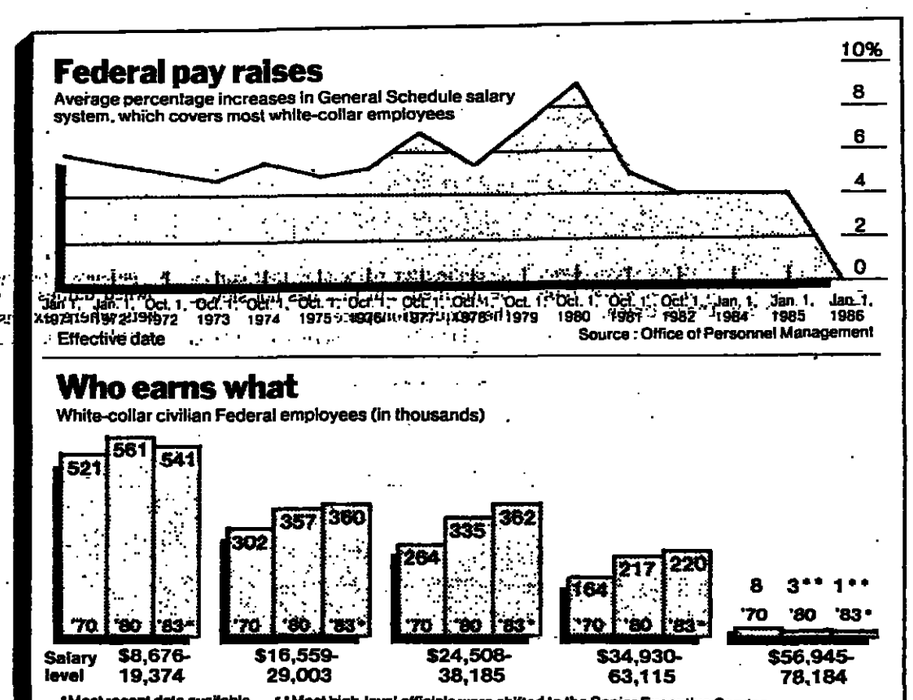
"There's no question that for the future of Butte, the best thing that could have happened here was the day the company closed down," said Ray Tilman. "It made the community pull together and become more creative. It got us away from dependence on the company."

Q & A: Merit Pay for Federal Workers

Bureaucracy and Its Discontents

WASHINGTON

As a candidate for President, Ronald Reagan rarely passed up an opportunity to flay the Government for waste and inefficiency. Now his Administration is proposing a new system of merit pay for the Government's 1.6 million white-collar workers that would, the White House says, give managers a firmer hold on the bureaucracy by basing salaries more on job performance and less on longevity. Proponents say such a system would improve the morale and motivation of civil servants. Critics warn that it could be exploited for political purposes. Constance Horner, director of the United States Office of Personnel Management, the Government's central personnel agency, and Representative Steny H. Hoyer, Democrat of Maryland, a leading defender of Federal workers and their rights, recently discussed the proposal with Robert Pear, a reporter in the Washington bureau of The New York Times. Excerpts from those discussions follow.



Federal and private wages

Average annual salary ranges in private industry and Federal Government (March 1985)

	Average annual salary range	
	Private industry	Federal Government
File clerk	$10,101-$14,707	$9,523-$12,236
Typist	$12,621-$15,847	$10,748-$12,236
Secretary	$15,869-$26,210	$14,272-$22,885
Computer operator	$13,670-$28,440	$14,272-$22,885
Computer programmer	$20,318-$41,288	$16,289-$38,082
Accountant	$20,577-$59,519	$16,289-$43,523
Engineer	$27,405-$76,205	$16,289-$61,505
Attorney	$29,886-$91,690	$24,508-$61,505
Systems analyst	$28,197-$68,809	$24,508-$61,505
Personnel director	$37,173-$70,683	$29,772-$51,714

Source: Bureau of Labor Statistics

CONSTANCE HORNER

Starting Over

Question. Why does the system need fixing?

Answer. Over-regulation is making it very difficult for us to deliver to the people what they expect their Government to provide them. We have a 63-year-old system; rules and regulations have aggregated over the years, each one of them for a good purpose. But the accumulated burden is nothing but a Rube Goldberg machine.

Q. What is the Administration's plan?

A. The proposal does a few simple things. Right now, we have a complicated structure called the General Schedule, which plugs employees into a particular location in one of 18 grades and, in each of those 18 grades, one of 10 steps. What we are proposing to do is to start over with four to six simple pay bands.

Second, the proposal will allow us to adjust pay to be able to hire people with some connection to what the market requires. Right now, we have Federal employees who are paid less than the market and more than the market and the same as the market. This means the taxpayer spends, in some cases, more money than necessary, and, in other cases, cannot spend enough.

Historically in the Government, you get paid more for staying around. Federal employees are not held in high regard because the public knows that they advance through the passage of time, not through performance. And that is not in keeping with the American spirit.

Q. Wouldn't it help Civil Service morale if politicians, including President Reagan, weren't always knocking Government workers?

A. The most positive thing a President can do to improve Federal employee morale is to take the extraordinary burden of regulations off the backs of those Federal workers.

This proposal is the highest possible compliment to Federal employees because it says we're going to repose higher confidence in your ability to work in a less-regulated system.

The President did not run against Federal employees, he ran against the system. The conclusion is: It's the system, not the people, who are inhibiting that productivity.

Q. Historically, one of the objectives of all this regulation has been to protect the Civil Service from political manipulation. Wouldn't this proposal undermine those protections?

A. We have swung so far in the direction of protection that we've achieved stultification; we need to achieve a balance that may have existed before the final 2,000 pages of rules.

Federal managers are also Federal workers. They don't want a system where abuse is possible because every manager works for someone else.

STENY H. HOYER

Human Factors

Question. What do you think about the proposal to pay a premium for performance?

Answer. The American public believes that our employees ought to be paid consistent with their performance. We ought to require our managers to evaluate employees, and if they're not performing satisfactorily, put them on notice and don't give them raises.

Having said that, the fact of the matter is: Not only do we not pay for performance, we underpay our Federal employees substantially. And that's the key to the problem.

Q. So the solution is to have a bigger pool of money for distribution as merit pay?

A. Yes. Everybody agrees that however you figure the relationship between Federal employees' and private sector salaries, including retirement benefits, Federal employees are behind. Therefore, we grope around for a system that will better enable us to reward good performance and retain good performers and recruit good performers.

Historically, large organizations find that it is difficult for managers to evaluate those with whom they work relatively closely. That's human nature; it's difficult to say Joe is doing a bad job and Joe shouldn't get a raise. That human nature aspect is not going to be changed.

Obviously, if Julius Erving scores an average of 30 points a season and brings in 2 million more patrons to watch the 76ers play, it's pretty easy to determine that he's worth $1 million a year. It's much more difficult in an environment of 2 million Federal employees.

Q. Does the merit pay proposal reflect any political agenda?

A. Clearly this Administration from the very outset has taken a very negative attitude with respect to Federal employees.

The political agenda was that Government was bad. One of the reasons, they say, is that it can't do things as well as the private sector can. One of the reasons for that, they say, is that Government employees are poorly motivated, poorly prepared, not talented.

That agenda has diminished substantially, and I think the reason is that the longer this Administration is in office, the less true it finds that allegation. But I think it's still politically useful as a tactic for the Administration to say: "We're going to get those Federal employees — cut their pay, cut their retirement. We're going to reduce government, we're going to send things out in the private sector, which clearly does things much better."

Today on the radio I heard that the pay increment among the labor force in America has increased less this year than at any time in some few years — 5.5 percent. Last year, Federal employees were frozen, and this year the President proposed increasing salaries by 3 percent and contributions to retirement by 2 percent, which meant a net increase of 1 percent in pay.

It's not hard for one to know that you can lose employees under that scenario, and you're not going to be able to recruit new ones.



Constance Horner



Representative Steny H. Hoyer

The New York Times/Ronald W. Thomas (Horner); Photo Researchers/Art Stein

Newspapers Are Hot Properties

The big chains have bid record amounts for the independent dailies.

By GERALDINE FABRIKANT

SEVERAL years ago, newspapers were viewed by some of their owners as the dinosaurs of the media industry. Cable television, the free shoppers and the new electronic information technologies seemed certain to siphon off readers and advertisers. Nervous publishers were eager to diversify.

Today that attitude has changed. Videotex has flopped, cable TV has failed to become a major competitor for advertising, and publishers everywhere have gotten into shoppers, printing and delivering the ad-laden throwaways themselves. "Newspaper companies are realizing that their basic business remains the most attractive of all reinvestment alternatives," says Joseph Fuchs, a media analyst at Kidder, Peabody.

Indeed, America's nearly 1,700 daily newspapers are prospering. Second-quarter profits were strong and the Standard and Poor's index of publicly traded newspaper companies has risen by over 20 percent this year. That is fueling a period of hectic consolidation in which the biggest newspaper chains are bidding to buy independent dailies at record prices. In recent months, the chains have paid nearly $1 billion for four of the best-known regional newspapers and the bidding seems certain to continue — with Wall Street investment bankers aggressively marketing some of the takeover targets.

Along with individual newspapers, some of the smaller chains might also go on the block. "A lot of the 484 remaining independent papers are small — 25,000 or smaller in circulation," said John Morton, newspaper analyst at Lynch Jones & Ryan. "As a result, I think a lot of the large companies will try to acquire sizable newspaper groups that are family dominated."

Among those mentioned by Mr. Morton as possible targets are Block Newspapers, which includes The Toledo Blade and The Pittsburgh Post-Gazette; Park Communications, which specializes in newspapers of less than 10,000 circulation, and Copley Newspapers, whose flagship is The San Diego Union.

Several years ago, the purchase price for a profitable daily newspaper was 2 to 2.5 times annual revenue, according to Bruce Thorp, an analyst at Lynch Jones. Now the Gannett Company, the largest of the chains and the most active buyer, has paid $300 million for The Louisville Courier-Journal and Louisville Times, or nearly three times annual revenues. The Times-Mirror Company, whose flagship is The Los Angeles Times, bought The Baltimore Sun in May for $400 million — 2.3 times revenue — and Ingersoll Publications spent about $185 million in May, or nearly three times revenues, for The New Haven Journal Courier and Register.

"The key to justifying these prices," says Steven Rattner, an investment banker at Morgan Stanley & Company, "is convincing yourself that advertiser spending will continue to grow at a reasonable rate despite a deflationary economy." In fact, newspaper advertising has weakened over the past 18 months, prompting some to argue that newspapers may be selling for premiums that cannot be justified. But that has not slowed the acquisition pace.

"In my 20 years there has not been an acquisition that in someone's opinion, usually in the opinion of every media critic, has not been overpriced," says Allen H. Neuharth, Gannett's chairman. "But there has not been an acquisition we've made that has not turned out to have been either a good buy, a bargain or a steal."

Not everyone shares Mr. Neuharth's view. The Washington Post Company, for example, entered a bid for the Louisville papers last spring, but did not match Gannett's offer. One industry analyst said the Post could not justify a higher bid because it might be less aggressive than Gannett in raising circulation prices and would probably retain a larger news staff. And Knight-Ridder Newspapers, which operates such major regional dailies as The Philadelphia Inquirer, The Detroit Free Press and The Miami Herald, has not bought a newspaper since 1980.

Gannett, however, has made three major acquisitions in the past year as it pursues a policy of buying family-owned dailies in major urban markets where extensive cost-cutting is possible. For decades, the typical paper in the Gannett chain was the small-town daily, but last summer Gannett bought The Des Moines Register and Tribune Company and the Evening News Association, publisher of The Detroit News, for a total of more than $300 million.

With Gannett in the lead, the nation's 25 biggest chains now control nearly 59 percent of the daily newspaper circulation in the United States, up from 51 percent a decade ago. "There were 28 papers sold in 1983, 43 in 1984, and 52 in 1985," said Mr. Morton. "I see no reason to think consolidation will slow down."

But in sizing up potential acquisitions, the big newspaper groups apply somewhat different criteria. "While Gannett sees what can be done by cutting costs and raising ad and circulation rates to make money, The Times Mirror, The New York Times Company, Knight-Ridder and others often go for opportunities to increase circulation and expand the advertiser base," says Barry Kaplan, a newspaper analyst at Goldman, Sachs & Company.

The Gannett approach is very much in evidence in Iowa, where The Des Moines Register circulates throughout the state and into neighboring states. Because a newspaper company often loses money on such costly distribution, it is referred to in the industry as "ego" circulation. To cut circulation losses, Gannett has raised The Register's weekly subscription rate to $1.50 from $1.25. It raised the Sunday price to $1 from 80 cents, the first increase in five years.

"Circulation 200 miles away from the local retailer is generally not of great interest," says Douglas McCorkindale, Gannett's vice chairman and chief financial officer. Since the price increases, The Register's circulation has dropped about 3 percent, but at the same time Gannett has raised advertising rates by 8 percent — and the corporate staff has been reduced. As a result, 1986 earnings are expected to increase significantly.

Industry experts say that Gannett is likely to use a similar approach in Louisville, where the morning Courier-Journal also has a statewide circulation. In addition, the Bingham family, which sold the Louisville properties to Gannett, maintained an editorial staff of 314 people to produce The Courier-Journal and the afternoon Times. That compares with 200 editorial workers in Rochester, where Gannett operates similar morning and afternoon papers.

Whatever the problems of paying premium prices for newspaper properties, most industry executives agree that the 484 remaining independent dailies are prime takeover targets and the big newspaper chains are the favored acquirers, rather than bidders from outside the industry.

The Chains on the Move

Purchases by newspaper groups during the last five years of dailies with circulations over 100,000

Date	Newspaper	Circulation	Purchaser	Price (in millions)
7/86	Newport News (Va.) Daily Press and Times Herald	104,000	Tribune	$130
6/86	Dallas Times Herald	244,629	Media News Group	110
5/86	New Haven Register and Journal-Courier	218,519	Ingersoll Newspapers	170
5/86	Baltimore Sun	356,927	Times Mirror	400
5/86	Louisville Courier-Journal and Times	295,965	Gannett	300
4/86	Tacoma News Tribune	107,678	McClatchy Newspapers	200
8/85	Detroit News	656,367	Gannett	150
7/85	Des Moines Register	234,900	Gannett	165
12/84	Allentown (Pa.) Morning Call	129,500	Times Mirror	93
1/84	Chicago Sun-Times**	639,100	News America Publishing	90
12/82	Boston Herald American	228,200	News America Publishing	1
12/82	Florida Times-Mirror and Jacksonville Journal	203,631	Morris Communications	190
10/82	Sarasota Herald-Tribune	109,500	New York Times	90*
5/82	Jackson (Miss.) Clarion-Ledger and Daily News	106,737	Gannett	90*

*Estimate
**Sold last month in a leveraged buyout to members of the paper's management and other investors
Source: John Morton Research

The Economy

WEEK IN BUSINESS

Another Departure Stuns BankAmerica


The New York Times, Terrence McCarthy
Charles R. Schwab

Charles R. Schwab resigned as a director of BankAmerica. Although the man who made discount brokerage a household phenomenon said he wanted to devote full time to outside activities, analysts suspected he left out of frustration. They said Mr. Schwab had pushed hard to have the bank solve its problems quickly. And they believe that Mr. Schwab's resignation, which followed by two days that of the bank's chief financial officer, will force BankAmerica to act. Mr. Schwab's resignation, meanwhile, will allow him to concentrate on running the discount brokerage he sold to BankAmerica in 1983, and that he wants to buy back.

BankAmerica's best strategy, many analysts believe, is to seek an infusion of capital to help protect against the huge loan losses it has been suffering. But the West Coast bank denies rumors that it has been seeking such an investment from a Japanese bank.

The Senate overwhelmingly approved late Friday night a set of tough economic sanctions designed to undermine the system of racial separation in South Africa.

Producer prices dropped four-tenths of 1 percent in July, the fifth fall this year, almost entirely because of an unexpected drop in gasoline prices, which have now started to rise again. Food prices were up sharply because of the Southeastern drought. ... Retail sales rose an anemic one-tenth of 1 percent in July, as auto sales dropped sharply. ... Business inventories rose four-tenths of 1 percent and sales jumped five-tenths of 1 percent in June, a good sign that business could be picking up. The inventory-to-sales ratio was unchanged at 1.39. ... Industrial production fell one-tenth of 1 percent in July.

Stocks gained strongly as investors got a head start on the rally many are convinced will resume after Labor Day. The Dow Jones industrial average ended the week at 1,855.60, up 72.98. Bond prices were also up on strong demand, and were unaffected by a $2.7 billion rise in M-1.

Doubleday may be for sale, or its chairman, Nelson Doubleday Jr., may just be trying to find out how much his company is worth. The book publisher, which also owns the New York Mets, has reportedly been circulating financial data to other big publishing concerns. Analysts say the company would fetch a pretty price, whether whole or in pieces.

Hammermill accepted a $1.1 billion bid from International Paper, a deal that would beget one of the largest forest products companies. Hammermill had resisted a $52 a share takeover bid by Paul A. Bilzerian, the California investor. International Paper's bid is $64.50 a share.

Ex-Cell-O rejected Textron's $68-a-share takeover bid as inadequate, but left itself open to higher bids, from Textron or elsewhere. It also was reported to be looking into a leveraged buyout. Textron, a big aerospace technology and financial services company, is interested in Ex-Cell-O's aerospace, automotive and marine products operations.

Big Three Industries will be acquired by L'Air Liquide of France, the world's leading producer of industrial gases, for $1.05 billion. Big Three also produces industrial gas.

Harold Simmons won control of NL Industries after a two-month battle. NL agreed to let Mr. Simmons, the Dallas investor who controls 51 percent of NL's stock, name five members to the board. Mr. Simmons had bid $726 million to acquire the company, but NL resisted and enacted a poison pill that a court invalidated.

Glidden will be sold to Imperial Chemical for $580 million. Glidden is owned by SCM, which was purchased by Hanson of Britain in March.

Micropro dismissed its president and chief executive, H. Glen Haney, and two vice presidents resigned. Micropro may now be directed from afar by Seymour Rubenstein, the founder who stepped aside.

I.B.M. cut the price of its basic PC for customers buying directly from it, and Lotus said it would sell its software to companies in bulk, both in response to market pressures.

Burton J. Manning is leaving his post as chairman and chief executive of J. Walter Thompson U.S.A., reportedly to go to a smaller agency. Five months ago he was passed over for chairman of the parent company.

Wickes began a hostile tender offer for Owens-Corning Fiberglas. Owens had resisted Wickes' $70-a-share offer, so Wickes raised it to $74 a share and took it directly to stockholders.

The F.D.I.C. injected $130 million into the troubled Bank of Oklahoma in Oklahoma City to save it from insolvency. BankOklahoma, the parent, will merge the Oklahoma City unit into the stronger Tulsa unit.

Gold approached $400 an ounce, as Japan purchased huge amounts for its new Hirohito gold coin, which is expected to be very popular.

Merrill Perlman

INVESTING / Peter H. Frank

A New Respect for Military Electronics

The Sanders bid has stirred up interest in E-Systems and its high-tech competitors.

ALTHOUGH military spending over all may not increase significantly over the next few years, some contractors that serve a specific high-tech niche may prosper, and provide attractive opportunities for the patient investor.

Some analysts particularly like E-Systems Inc. in Dallas, citing the company's huge order backlog, the virtual absence of debt, solid management and well-positioned products.

Many of those products are of the highly sensitive "black box" variety; cloak-and-dagger items dear to the heart of the Pentagon and national security services. "Close to 50 percent of E-Systems contracts are classified, and include the intelligence-gathering departments of the military," said Byron K. Callan, an analyst with Prudential-Bache Securities Inc. in New York. "They're looking at areas that are likely to grow even in the more-restrictive defense budget environment."

Whereas the military budget has barely outpaced inflation over the past few years, the market E-Systems serves has grown by over 10 percent in real dollars, said Thomas Kelly, vice president of finance for the company.

Analysts also note that E-Systems, and other military electronics specialists, are often mentioned as takeover targets. The potential buyers: Huge general military contractors — called "metal benders" by some — which, facing a slowdown in traditional business, are shopping for more promising electronics units. Buying an established unit is a lot cheaper than developing one from scratch. And modern weapons systems are dependent upon state-of-the-art electronics. "They are starting to build aircraft around electronics, instead of the electronics around aircraft," said Mr. Callan.

E-Systems, originally called LTV Electrosystems Inc. until 1972, when it was spun off from the LTV Corporation, builds electronic warfare systems. Much of the work involves the development of communications, guidance controls and sensors for aircraft, missiles and defense systems.

The company earned $15.9 million, or 52 cents a share, on revenue of $301.4 million for the second quarter ended June 30. Analysts expect annual sales, of which 88 percent are to the Government, to increase 20 percent, to more than $1.1 billion, this year. Earnings should also increase, analysts said, to about $64 million, or $2.10 a share, this year, and to about $75 million, or $2.40 a share, in 1987.

The expected increase in sales is due to the record $1.6 billion in backlog orders the company had at the end of last year, up 44 percent over the prior year. The level of bookings, or new orders, was also up, to $1.4 billion, a 54 percent jump. Because backlogs are not counted as revenue until the order is manufactured or shipped, the amount of orders to be filled can be a strong indication of future income. On the other hand, much of the early work in a contract is spent on development, with a low profit margin, said Mr. Callan of Prudential. In later stages of manufacturing, the margin swells.

Thus, analysts predict that E-Systems' income — and stock price — should begin to rise over the next three years as contracts progress and profit margins increase. "Over the next 12 to 18 months," said Bruce M. Lupatkin, an analyst with Hambrecht & Quist Inc. in San Francisco, "they are still working on a development play and will run into more cost overruns and be marginal. Once they get into manufacturing, they'll be in strong shape."

Mr. Callan is a bit more cautious. "We're still dealing in a very uneasy economic and budgetary environment," he said. "I'm not ready to aggressively recommend this stock. I guess the forecast for them is partly sunny — but I'm taking an umbrella along with me."

In addition to business fundamentals, E-Systems' stock has benefited from the fact that it, and some of its competitors, have long been the subject of takeover rumors.

Philip W. Friedman, an analyst with Drexel Burnham Lambert Inc. in New York, said that, in particular, the Loral Corporation, the Watkins-Johnson Company and Tracor Inc. are also attractive investments and likely takeover candidates. "Their fundamentals are relatively attractive, their financial conditions are excellent, and they have great earnings potential," he said.

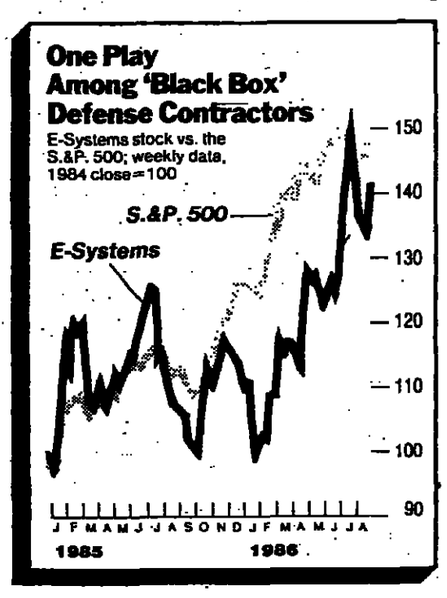
E-Systems' shares — 40 percent-owned by institutional investors and almost 25 percent-owned by employee stock plans — trades around $35 a share. It reached a 52-week high of $39.625 on July 10; its low was $23.50 Jan. 20. "All of the stock appreciation over the last two months is a result of speculation by arbitragers," said Mr. Lupatkin.

Michael Lauer, an analyst with Oppenheimer & Company in New York, thinks E-Systems will remain independent. But, he noted, its stock moves with the others in the industry whenever a takeover rumor about any of the them surfaces. "When one stock in the industry jumps," he said, "they all do."

The high price for E-Systems' stock on July 10 came the day after Sanders Associates agreed to be acquired by the Lockheed Corporation.

Another reason for the takeover talk is that the company's chairman, John W. Dixon, is 66 years old and may soon retire. As the head of the company since its inception as part of LTV, Mr. Dixon, analysts suggest, might prefer to sell outright rather than name someone to take his place.

Mr. Dixon, when asked about retirement, said, "I have no plans right now. Who knows? I don't." He said the company has solid management capable of taking over. Likewise, he did not rule out a takeover, but said he was not looking for one. "We've been approached seven or eight times," said Mr. Dixon, "everything from 'Would you be interested? Let us know,' to 'Here's the deal.' We have to consider them, as our responsibility to shareholders. But, obviously, nothing has happened."



Subaru's Downhill Ride

The stock of Subaru of America Inc., the Pennsauken, N.J.-based importer of Japanese autos, lost one-third of its value between early May and late July, amid signs that the company's lusty sales growth might be slowing. Last week, with the stock around $26, some analysts and money managers called the selloff overdone. While June sales were indeed below expectations, the softness was focused in Texas and Oklahoma, where energy-dependent economies are sagging, management said. After vehicles were shifted to the Northeast market, "July sales were very strong, and August looks even stronger," a Subaru spokesman said.

Operating under Japan's export quotas, Subaru sells about 16,000 vehicles a month, according to Gary Shiffman, a vice president of the Z-Seven Fund, which holds about 40,000 Subaru shares. Despite the June slippage, Mr. Shiffman expects the company to "show a lot of earnings growth."

Harvey Heinbach, a Merrill Lynch analyst, said Subaru may have to work harder for sales now that the rising yen has made its cars more costly to Americans. Margins have slipped as the importer passes along higher costs but adds no further markup, Mr. Heinbach noted. But he looks for Subaru to earn at least $1.90 a share this year (up from $1.57 last) and $2.25 in 1987. "At $25 to $26, the risk-reward ratio looks pretty good," he said.



Many Subaru insiders sold shares before Subaru's drop. Investnet Group Inc., a North Miami, Fla., data service, counted more than 125,000 Subaru shares sold by officers and directors in May and June, within a few points of the $39 high. George Muller, a vice president at Subaru (and a seller), said that routine stock sales by insiders had been delayed from the spring pending disclosure of a stock split and a new manufacturing plan.

John C. Boland

The New York Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED AUGUST 15, 1986
(Consolidated)

Company	Sales	Last	Net Chng
Big Thr	8,974,600	28¾	+ 4½
IBM	7,385,500	133¼	+ 3⅛
AT&T	6,697,700	23¼	- ⅛
Mobil	6,187,100	35¼	+ 2¾
Nia M'P	6,117,100	24	+ 1¼
Mid S Ut	5,811,000	13¾	+ ⅞
Goodyr	5,630,900	32¾	+ 2
ICN	5,323,500	30¾	+12¾
Owens C	5,205,000	78⅛	+ 2¼
Ford M	5,140,700	59	+ 4½
Exxon	4,935,600	65¼	+ 2¾
Chrys	4,709,300	39½	+ 2½
Wn Air L	4,395,400	11	+ 1½
Ham Pa	4,302,000	64⅛	+ 5¼
NL Ind	4,186,700	11¾	- ⅛
Bnk Am	4,167,900	13	- ⅜

MARKET DIARY

	Last Week	Prev. Week
Advances	1,637	1,083
Declines	385	884
Total Issues	2,176	2,155
New Highs	233	96
New Lows	70	146

VOLUME

(4 P.M. New York Close)	Last Week	Year To Date
Total Sales	861,042,840	22,007,490,793
Same Per. 1985	417,434,100	17,031,491,431

WEEK'S MARKET AVERAGES

	High	Low	Last	Net Change
New York Stock Exchange				
Indust	161.8	155.9	161.8	+6.73
Transp	112.8	108.3	112.8	+5.09
Utils	77.7	75.3	77.7	+2.66
Finance	155.2	148.4	156.0	+7.08
Composite	142.2	137.1	142.2	+5.81
Standard & Poor's				
400 Indust	272.8	261.6	272.8	+11.18
20 Transp	188.8	179.2	188.8	+ 9.52
40 Utils	118.4	113.5	118.4	+ 4.90
40 Financial	29.5	28.2	29.5	+ 1.30
500 Stocks	247.1	236.8	247.1	+10.27
Dow Jones				
30 Indust	1863.6	1779.2	1855.6	+72.98
20 Transp	761.0	711.0	756.0	+43.12
15 Utils	211.7	203.6	211.2	+ 7.24
65 Comb	721.7	686.0	718.4	+30.98

The American Stock Exchange

MOST ACTIVE STOCKS
WEEK ENDED AUG. 15, 1986

Company	Sales	Last	Net Chng
Wickes	3,014,900	5¼	- ⅛
WangLabB	2,249,500	13⅞	+ ⅛
BAT Ind	1,753,900	5⅛	+ ⅛
EchoBay	1,666,400	18¼	- 1⅛
DomePet	1,532,700	1	- 1/16
Amdahl	1,167,900	17¾	+ ⅞
Seaman	1,157,800	8⅞	...
LorimarTel	1,099,600	25⅝	+ 1¾
IntThr	719,100	2⅛	- ¼
HornHard	623,600	12¼	- 1⅜

MARKET DIARY

	Last Week	Prev Week
Advances	508	375
Declined	274	402
Unchanged	141	138
Total Issues	923	915
New Highs	47	25
New Lows	31	68

VOLUME

(4 P.M. New York Close)	Last Week	Year To Date
Total Sales	49,797,895	1,985,658,049
Same Per. 1985	37,415,875	1,294,011,040

The New York Times

Founded in 1851

ADOLPH S. OCHS, *Publisher 1896 1935*
ARTHUR HAYS SULZBERGER, *Publisher 1935-1961*
ORVIL E. DRYFOOS, *Publisher 1961 1963*

ARTHUR OCHS SULZBERGER, *Publisher*

A M ROSENTHAL, *Executive Editor*
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JOHN M. O'BRIEN, *V.P., Controller*
ELISE J. ROSS, *V.P., Systems*

The World According to Congress

Consider the issues that occupied Congress last week just before members rushed off on vacation:

¶The Senate voted to impose stringent economic measures against South Africa, including a ban on new investments, and approved $100 million in aid for the Nicaraguan rebels.

¶The House voted to extend a moratorium on testing antisatellite weapons and to delay production of binary chemical weapons.

¶The House voted to require adherence to the 1979 Strategic Arms Limitation Treaty, and to chop President Reagan's pet Star Wars budget by more than $2 billion.

What do all these issues have in common? The answer, obvious, is also startling in light of Congress's historic role: Every one concerns foreign policy and national security. A generation ago, Congress deferred to the diplomats. Now Congress has become its own State Department, and Pentagon, with implications for American government that this Congress will do much to explore.

To observers from de Tocqueville to Walter Lippmann, legislatures and mass opinion are unsuited for a serious role in foreign affairs. Congress, *thick with committees, personalities and agendas*, is clumsy at the task. As Senator J. William Fulbright observed, it is dominated by "a distressing tendency to adhere to the dictates of public opinion, or at least to its vocal and organized segments."

To others, it is just that tendency that compels Congressional participation in foreign policy. Averell Harriman told a Senate committee: "No foreign policy will stick unless the American people are behind it. And unless Congress understands it the American people aren't going to understand it." The idea that Congress could not long permit a foreign policy without public support has its clearest expression over Vietnam, generating one assertion of Congressional control after another — over war-making, arms sales, human rights, covert action overseas.

By the time President Reagan came to office, Congress had become more cooperative. The public has shown differences with his handling of Nicaragua, South Africa and arms control. But as long as he maintained popularity on other issues and did not flout public opinion on these, Congress has been inclined to give him room. Until now. As the President's *posture on, for instance, South Africa*, offends ever more of the public, Congress seems ever readier to act.

That's partly so for partisan reasons. A Democratic House naturally contends with a Republican President and Senate. But on issues like South Africa, even the Republican Senate disputes with the Republican President.

The result is a great deal of action, though perhaps more action than change. Congress has taken a genuine lead on South Africa, but it has given President Reagan his head on Nicaragua, despite the continued lack of public support. The many military issues are mostly affected around the edges; even with the cuts, Congress is allowing Star Wars to proceed at a robust rate.

What last week does demonstrate, however, is that dissatisfaction with Reagan foreign policy is rising in Congress because it seems to be rising in the public. The first requirement of any foreign policy, Henry Kissinger has observed, is domestic support. If the President's policies can't hold that support, the modern Congress is ready to push its own.

For Better Cabbies and Higher Pay

New York's taxi owners say they deserve a fare increase, their first in six years. Gorman Gilbert, the new chairman of the Taxi and Limousine Commission, apparently agrees. His staff estimates that in a grueling 50-hour week, the typical cabbie can *earn only $350 to $500, without fringe benefits.* That's not enough, the Commissioner argues, to attract the courteous, knowledgeable drivers the public has a right to expect.

Yet a taxi medallion, required to operate one of New York's 12,000 yellow street-hail cabs, now trades for about $100,000. If cab driving is such a bad job, why are medallions worth so much? The answer lies in the misunderstood economics of the taxi business. A careful look at the commission's numbers suggests that New Yorkers can have better cabbies without paying an extra dime in fares.

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A decade ago, medallion taxi fleets hired drivers by the hour. Independent taxis were driven by the owners of the medallions. The system has *since changed radically. Medallion owners* generally lease their taxis by the shift, for a flat fee. The going lease rate is $55 for a day shift, $65 at night. The driver who leases the taxi also pays for gas, netting about $70 to $100.

Mr. Gilbert may be right that $70 to $100 won't attract first-rate drivers. But permitting fares to rise won't increase drivers' income or attract better drivers. The price of leases is determined by what drivers will pay for them. Any Econ. 101 student can tell you that an increase in fare revenues would be matched, dollar for dollar, by an increase in lease income to the medallion holder.

How much does a medallion holder take in now? The commission staff assumed a taxi could be leased two shifts a day for 320 days a year, generating total lease income of $38,400. Net of an estimated $21,136 for insurance, depreciation, maintenance and management, that leaves $17,264 profit a year just for owning — not driving — a medallion taxi.

This explains why investors are willing to pay $100,000 for medallions: a 17 percent return. If average taxi revenues went up, say, $10,000 a year without changing the expense in leasing out a taxi, medallion profits would naturally go up by an equivalent amount. Since medallions seem to trade for about six times annual earnings, the main effect of such a rate increase would be to raise the value of a medallion another $60,000.

So with a competitive leasing system, a fare increase can't improve the lot of the taxi driver. How, then, can the commission hope to attract better cabbies? It need only toughen the standards for getting and keeping a hack license. Drivers who speak English, who have good safety records and know the city probably won't work for as little as $70 to $100 a day. *It follows, then, that they are not willing to pay* the current lease rate.

But they might well pay a lower lease rate, one that leaves them with more than $100 a day — and if the commission enforced its competency and safety standards strictly, lease rates would drop accordingly. That would raise driver compensation at the expense of medallion owners rather than taxi riders.

In short, there is a way to get better drivers, and for better drivers to get better pay — but raising fares is not it. Should the commission raise the standard for taxi drivers? Certainly. Should the commission raise taxi rates? No.

The Editorial Notebook

The Lincoln-Botha Debate

Speaking to his party faithful in South Africa last week, President P. W. Botha flaunted this quotation from Abraham Lincoln: "There is a physical difference between the white and black races . . . I am in favor of the race to which I belong having the superior position . . . I am not, nor have I ever been, in favor of making voters or jurors of Negroes, nor of qualifying them to hold office, nor to intermarry with white people."

Mr. Botha's point was that Lincoln was reflecting the spirit of his time, and yet Americans do not now refer to him in a derogatory manner. So why "are Americans acting in this way against us?"

Perhaps the best response is from Lincoln. Here is what he went on to say during the same debates in 1858 with Stephen Douglas, from which Mr. Botha drew: "Notwithstanding all this, there is no reason in the world why the Negro is not entitled to all the natural rights enumerated in the Declaration of Independence — the right to life, liberty, and the pursuit of happiness. I hold he is as much entitled to these as the white man."

Inadvertently, one assumes, Mr. Botha has touched on the crux of the debates that made Lincoln a national figure. The issue was whether slavery was an evil that ought to be contained, or whether (as Douglas held) its existence and spread might be tolerated under the doctrine of "popular sovereignty."

Who's Created Equal? South Africa's Leader Omits Some Thoughts

In countering Douglas, Lincoln could have been addressing Mr. Botha's argument that South Africa has a sovereign right to its own peculiar institutions:

"Now what is Judge Douglas' popular sovereignty? It is, as a principle, no other than that, if one man chooses to make a slave of another man, neither that other man nor anybody else has a right to object. (Cheers and laughter.) Applied in government, as he seeks to apply it, it is this:

"If, in a new territory into which a few people are beginning to enter for the purpose of making their homes, they choose either to exclude slavery from their limits, or to establish it there . . . there is no power or right to interfere. That is Douglas' popular sovereignty applied. He has a good deal of trouble with his popular sovereignty. His explanations explanatory of explanations explained are interminable. (Laughter)."

True, Lincoln himself got into a good deal of trouble by condemning slavery while denying he favored equal rights for Negroes — hence the remarks that Mr. Botha seizes on with such glee. In doing so, Lincoln sank to the bigotry of a white electorate. But he soared above it by repeatedly affirming the universal values that made white supremacy morally indefensible:

"I adhere to the Declaration of Independence. If Judge Douglas and his friends are not willing to stand by it, let them come up and amend it. Let them make it read that all men are created equal except Negroes. . . .

"In his construction of the Declaration last year, he said it only meant Americans in America were equal to Englishmen in England. Then, when I pointed out that by this rule he excludes the Germans, the Irish, the Portuguese and all the other people who have come among us . . . he reconstructs his constructions. In his last speech, he tells us it meant Europeans. I press him a little further, and ask if he meant to include the Russians in Asia . . . He is not at all particular. He is satisfied with anything which does not endanger the nationalization of slavery. It may draw white men down, but it must not lift Negroes up."

It was Douglas, not Lincoln, who rationalized one race's subjugation of another, nurturing seeds of secession and civil war. And yet Mr. Botha wonders why Americans are unpersuaded by his own explanations explanatory of explanations explained, interminably. KARL E. MEYER

Letters

Roy Cohn's Descent on the Libraries of Europe

To the Editor:

A minor error in your Aug. 3 obituary of Roy Cohn prompts me to write and to add my recollection of the notorious visit to Europe by the "junketeering gumshoes" — Roy Cohn and G. David Schine — in April 1953.

First the correction: The phrase "junketeering gumshoes" was not, as reported, coined by Peter Kaghan but by Theodore (Ted) Kagan, at the time *deputy public affairs officer* at the U.S. High Commission in Bonn and, in that capacity, one of my superiors. I was the America House (U.S. Cultural Center) director in Frankfurt and, because of geography, became the initial target of the Cohn-Schine anti-Communist crusade in Europe.

I was informed that the Congressional investigators would be arriving at the Frankfurt airport and would probably want to visit the America House with its extensive library of American books and periodicals. I was the only American official at the America House and as a relatively junior officer was eager to be supported by a more senior Foreign Service officer in what I anticipated could become an ordeal. Both my consul general and his deputy were conveniently off on an Easter weekend vacation. Fortunately, a friend, Henry Dunlap, who was in charge of all the America Houses in Germany, called from Bonn and offered to come to Frankfurt to be at my side, suggesting that what I needed was a witness to everything that would be said. I gladly accepted.

Mr. Cohn and Mr. Schine arrived shortly after lunch, followed by a gaggle of reporters, creating a commotion in the normally subdued reading-room atmosphere of the cultural center. Mr. Cohn immediately asked where I had hidden the Communist authors in the library. I replied that, to the best of my knowledge, there were no Communist authors in the library. He then asked where I kept the Dashiell Hammett books. I led him to the shelf where "The Maltese Falcon" and "The Thin Man" were. He turned to the reporters and announced triumphantly that this was proof that there were indeed Communists represented in the American library.

We proceeded to the periodicals section, and Mr. Cohn asked where the anti-Communist magazines were. I pointed out those that I considered anti-Communist, showing him the Jesuit periodical America, Business Week and others, including Time and Newsweek. He dismissed Time by saying that the magazine was a swear word to him. He asked, did we have the American Legion Monthly? When I said no, he countered that we obviously didn't have any anti-Communist magazines.

Just before departing — the visit lasted over half an hour — Mr. Cohn and Mr. Schine were stopped by a reporter who read them the reference to "junketeering gumshoes," which had just come over the wires. Both appeared angry and wanted to know who had made the statement. Finally, a young United Press reporter, Marshall Loeb, asked Mr. Cohn, "Sir, when are you going to burn the books here?" Mr. Cohn replied that was not his purpose in coming to Europe.

Mr. Loeb persisted, saying that his office had sent him to watch the two investigators burn books, "you know, just like the Nazis did in 1933." Mr. Cohn got really angry at this and berated the reporter. Mr. Loeb calmly replied: "Mr. Cohn, if you aren't going to burn any books here, you don't interest me," and walked away. HANS N. TUCH

Bethesda, Md., Aug. 4, 1986

The writer is a retired career minister in the Foreign Service.

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A Legacy of Hate

To the Editor:

In William Safire's eulogy to Roy Cohn (column, Aug. 4), he quotes Mr. Cohn as saying, "I bring out the worst in my enemies — and that's how I get them to defeat themselves." But whom did Roy Cohn defeat? And what did Roy Cohn win? It is no measure of success or talent to be able to bring out the worst in people.

Roy Cohn's career should be a warning to all of us. His is a cautionary tale that reminds us of the ease with which human beings can learn to hate and then carry that hate to destructive ends. This is Roy Cohn's public legacy. AUGUST FRANZA

East Setauket, L.I., Aug. 5, 1986

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Loyalty and Friendship

To the Editor:

It was with incredulity that I began reading William Safire's Aug. 4 column. I found it hard to believe that he was writing a defense of Roy Cohn.

I finished the article, however, not only with a modicum of respect for Roy Cohn, but also with greatly increased respect for William Safire. The point he makes about loyalty — and friendship — has rarely been made so well. LAURA-LEE KARP

Seattle, Aug. 4, 1986

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Guilt by Association

To the Editor:

William Safire's defense of a friend in his Aug. 4 column, while parading as a thoughtful homily about the *moral obligations of friendship*, so twists the meaning of Mr. Cohn's political past and private moral code as to call into question Mr. Safire's own motives.

First, Senator Joseph R. McCarthy and his assistant Roy Cohn were in the business of deeming people guilty by association. Men and women who in their Depression-era youths had naïvely believed in the ultimate social and economic justice embodied by the Soviet Union were later in their *lives called to account* by Joe McCarthy and Roy Cohn. Many of them preferred silence to implicating friends who may have held the same or similar political beliefs. Some went to jail, some had careers and marriages destroyed, some committed suicide. Thus, it is in the worst taste, and patently dishonest, for Mr. Safire to lecture his readers about the moral value of loyalty in friendship since it was just such loyalty that Mr. Cohn used to destroy those whose crime *was having held unpopular* political beliefs or who were merely presumed to have held them.

Furthermore, Joe McCarthy and Roy Cohn were not above threatening to expose homosexuals. Indeed, Senator McCarthy wished to find Communists and "perverts" in the State Department. Thus, our knowing about Mr. Cohn's homosexuality is germane to understanding his whole modus operandi. His "closet" status reveals a man in deep conflict about his homosexuality, for who else would wish to persecute others of his kind while hiding the truth of his own nature? And who else would do such a thing for mere political gain? If there was ever "investigative excess," to use Mr. Safire's phrase, the worst culprits were certainly Joe McCarthy and Roy Cohn.

Mr. Safire makes far-fetched claims for Roy Cohn's fine moral sense as a friend and a public figure. The record reveals a man more than happy to drive others to destruction. Mr. Safire is perverting logic in a pathetic attempt to make palatable to his fellow conservatives the unsettling truth about their ally Roy Cohn: that his AIDS-related death confirms the supposition and rumor that he was homosexual. With that an established fact, it brings no cheer to the gay community. ALLEN ELLENZWEIG

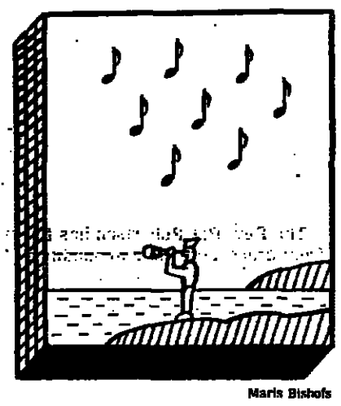
New York, Aug. 5, 1986

Through the Taxpayer's Pockets in B Flat

To the Editor:

Your uncritical and musically uninformed story on Ambassador J. William Mittendorf 2d's musical compositions (Washington Talk page, July 29) should not be the last word on the subject. Musically, March No. 291 in B flat is an embarrassment — at least judging from the 10 bars you reproduced. The 2-bar introduction is virtually identical to the introduction of "The Stars and Stripes Forever." The first 8-bar strain is considerably less interesting melodically and harmonically than "Rock-a-Bye Baby," which it strongly resembles.

If Ambassador Mittendorf is picking up the tab for copying and printing, well and good. If not, the March in B flat is an exercise in vanity at the taxpayer's expense.



Maris Bishofs

You noted that the march was performed as part of a Navy conference on competitive procurement and quoted the composer as saying that "the music celebrates free enterprise and competition." Are we to believe that this amateurish piece was selected competitively by the Navy Department, or is it not more likely that it was a courtesy to an ambassador who is a former Navy Secretary?

The appropriation for military bands, approximately $154 million a year, exceeds all Federal expenditures on the arts (Op-Ed, July 14; letters, July 29). Your story might have been used as an occasion for thoughtful criticism rather than drum beating. DAVID MONROE MILLER

New York, July 31, 1986

South Africa Sanctions Held in a Platinum Trap

To the Editor:

A recent and important development that has gone largely unnoticed has rendered the current agonizing over sanctions against South Africa more or less academic.

On June 20, according to The Toronto Globe and Mail, it was announced in London that the British company that has traditionally processed African platinum-group metals has joined a South African mining company to construct a new refinery in South Africa to be operational by 1989. At that time, the British facility will cease operations.

This is a highly significant development, meaning that within two years Pretoria will have total control of the processing and marketing of 85 percent of the West's available supply of platinum, a vital and indispensable agent in more than 3,000 industrial processes, including oil refining, automobiles, pharmaceuticals, chemicals, fertilizers, electronics and special defense applications, and there is no known substitute.

Once the plant is operational and the monopoly established (with the British plant unavailable, the other African platinum producers will be compelled to deliver their production to the new plant for processing), Pretoria will be in position to market these rare metals selectively, an option not previously available, rendering it possible for the South Africans to retaliate against any outside economic pressure. In other words, they will be in position to dictate the terms of their trade relationship with any country.

Clearly, there is no other logical motive for this decision to abandon a functional operation in Britain and reestablish it in South Africa. So, now do you understand the seeming intransigence of Margaret Thatcher, Helmut Kohl and Ronald Reagan on the matter of sanctions? ROSS F. IRISH

Picton, Ontario, July 26, 1986

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

Health-Care Deductibility Has Broad Impact

To the Editor:

In most of the debate and coverage on the tax-reform proposals before Congress, we have either argued over whether the proposal is fair to different groups of Americans or we have criticized those groups for being "special interests," trying to protect what they consider best for themselves. What is lost in all this oversimplification is that tax policy determines more than just how much we pay and how much the Government has to spend. Tax policy, by implication, is social policy. A good example is the potential effect of the tax proposals on access to health care.

Not long ago, almost all medical expenses were tax-deductible because they had only to exceed 3 percent of adjusted income. In the last 5 years, only medical expenses exceeding 5 percent of taxable income have been deductible. The new proposals would raise the limit to 10 percent. This has occurred while medical costs have skyrocketed and our society has become obsessed with health-care cost-containment.

Experience and research show that *early detection and preventive care* are an important part of any cost-containment. Raising the deductibility limit to 10 percent will provide an enormous disincentive for the average American to seek less expensive preventive care. Think about it. The $50,000 open-heart surgery will still be tax deductible, but the $100 stop-smoking clinic will not be.

As social policy, this is backwards. Americans should be encouraged to seek medical advice and do all those things that promote health. It would be better if our country had national health insurance so that everyone could get care regardless of cost. Since we do not have such a program, it is incumbent upon our policy makers to determine not only the fiscal impact, but also the social impact, of the erosion of the deductibility of health-care costs. CARYN NEUWIRTH

North Brunswick, N.J., Aug. 6, 1986

Clean as New Zealand

To the Editor:

"Weeding the Garden" ("The Worm and the Apple," Aug. 1) misses the mark by a mile. By placing responsibility with Gulf and Western for cleaning the streets surrounding Madison Square Garden, you confer upon those who leave their trash behind the right to do so.

Years ago I saw a public-service announcement on television in Auckland, New Zealand. The scene began at an elegant dinner party in a private home. The guests soon began overturning ashtrays on the rug and throwing empty bottles on the floor. As the litter mounts, the voiceover asks, "Would you do this in your home? New Zealand *is* your home."

To what degree New Zealand's cleanliness is attributable to such ads I don't know. But it is the cleanest country I've ever seen. What's wrong with us that we think we can use the streets to dispose of our trash? What's wrong with you for condoning and perpetuating this behavior? ROSS I. JACOBS

New York, Aug. 1, 1986

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IN THE NATION
Tom Wicker

Reagan And Sanctions

The Senate has cast a vote for the future in its approval of limited sanctions against the Afrikaner regime in South Africa — but not because that ruthless and determined Government is likely to do anything useful in response.

A great deal of misinformation and posturing — not least by President Reagan — surrounds this difficult issue. The particular sanctions in the Senate bill probably will not, for example, hurt South African blacks, as Mr. Reagan contends; and even if they did, many blacks and black organizations there still would welcome them — just as two decades ago American blacks were willing to risk the loss of jobs and personal security in their fight for constitutional rights.

Nor is the African National Congress the only black South African organization that favors sanctions, as Mr. Reagan in his ignorance so often claims. And the A.N.C. is not a Communist or Communist-front organization, though the President frequently libels it with the charge.

Mr. Reagan's comments about the A.N.C. have been so egregiously misleading as to seem almost deliberately so, and have evoked a well-deserved rebuke from Malcolm Fraser, the former prime minister of Australia who now heads the Commonwealth Eminent Persons Group on Southern Africa.

In a letter to the editor of The Washington Post, Mr. Fraser denounced the President's charges against the A.N.C., including the suggestion that it bears equal responsibility with the Government for violence in South Africa. In fact, Mr. Fraser wrote, the A.N.C. leadership is "largely moderate, nationalist and pragmatic" and the organization only recently had been forced "to respond to the violence of apartheid with violence of its own."

Mr. Fraser concluded that it was "tragic that the two most powerful and effective leaders in the Western world, President Reagan and Prime Minister Thatcher, stand very much alone" in their unwillingness to take an unmistakable stand in support of the black majority in South Africa.

Even Congressionally approved sanctions may not be able to undo the damage Mr. Reagan keeps doing. He cannot seem to grasp the fact that black political power in South Africa is as inevitable as numbers can make it — a black majority of about 22 million people against a white minority of five million, and that divided among Afrikaners and English.

One way or another, peacefully or by violence, sooner or later, under whatever checks and balances, the black majority will rule in South Africa. That being the case, for reasons of future strategic and political interest, as well as Western democratic values, it is profoundly necessary for that majority to perceive the West as

> The issue has been clouded by his ignorance and myopia

devoted to its cause and willing to take strong steps in its support.

That's why the sanctions bill is necessary. If the past is a guide, the sanctions themselves will probably be no more effective than those the West once imposed on the old white regime in Rhodesia, now Zimbabwe. They will have little impact on the policies of a determined, self-righteous and well-armed Afrikaner Government.

Sanctions may damage the surrounding black nations that are dependent on South Africa for transport and other services, but they are willing to risk it. What consequences sanctions may have within South Africa remains to be seen; it's possible, for example, that this show of Western support may intensify black insistence on an end to apartheid, which would heighten the violence of the Afrikaner response.

But Congressionally approved sanctions will demonstrate that on the South African issue Ronald Reagan does not speak for the people of the United States, the great majority of whom, in simple concern for justice, do support the black majority and wish to see a great wrong righted. Without such a show of support, limited as it must be and without much prospect of effecting real change, South African blacks would have little choice but to conclude — as Mr. Fraser put it — "that they are on their own as far as the West is concerned."

That would lead more surely than anything else to the long and bloody guerrilla war that everyone — except perhaps the most ruthless elements of the Afrikaner community — seeks to avoid. And that in turn would be likely to produce the anti-Western, even pro-Soviet black government Mr. Reagan so greatly fears, but in his ignorance and myopia in fact encourages.

The Monkey Wrench in Arms Control

By Hugh De Santis

WASHINGTON — While the recent exchange of arms proposals between Washington and Moscow may suggest a narrowing of differences in Geneva, it has increased tensions between liberal arms controllers and their opponents in the United States. Arms control advocates such as the SALT II negotiator Paul Warnke suspect the President and his hard-line advisers of scheming to enlist the Soviet Union as an accomplice to the abrogation of the ABM treaty. Anti-Soviet hard-liners such as Seymour Weiss accuse the liberals who have responded positively to Moscow's June 11 proposal of indirectly conspiring with the Soviet Union to kill "Star Wars." In such a situation, both sides, each for its own reasons, might be able to prevent any arms control agreement until the end of Ronald Reagan's Presidency.

Hugh De Santis is senior associate at the Carnegie Endowment for International Peace.

For the first five and a half years of the Reagan era, liberals and neoconservatives practiced the politics of cohabitation on arms control. (The French may have coined the term, but the art form is quintessentially American.) While lamenting the lack of progress in Geneva, liberals took solace in the fact that the Reagan Administration at least agreed to abide by existing arms control treaties, notably the unratified SALT II accords. Neoconservatives, for their part, while seeking to unchain the American Prometheus from its strategic arms commitments, rejoiced that President Reagan steadfastly refused to enter into new agreements with Moscow. In their view, this would only weaken further the already vulnerable American deterrent.

This implicit compromise began to unravel on May 27. On that day, President Reagan announced that the United States no longer felt obliged to respect the numerical limitations of SALT II. The President, having badly misjudged the allied reaction to the decision, which was predictably negative, almost immediately began to retreat from this position. Liberals nonetheless anguished that arms control was about to be interred.

Enter Mikhail Gorbachev. On June 11 the General Secretary of the Communist Party of the Soviet Union floated an arms initiative in the Geneva talks that proposed a ceiling of 8,000 strategic warheads and 4,800 land-based ballistic missiles, provided the U.S. agreed to a strengthened ABM treaty for at least 15 more years. More important, although the Russians remained opposed to field-testing of strategic defense components, they agreed to permit laboratory testing.

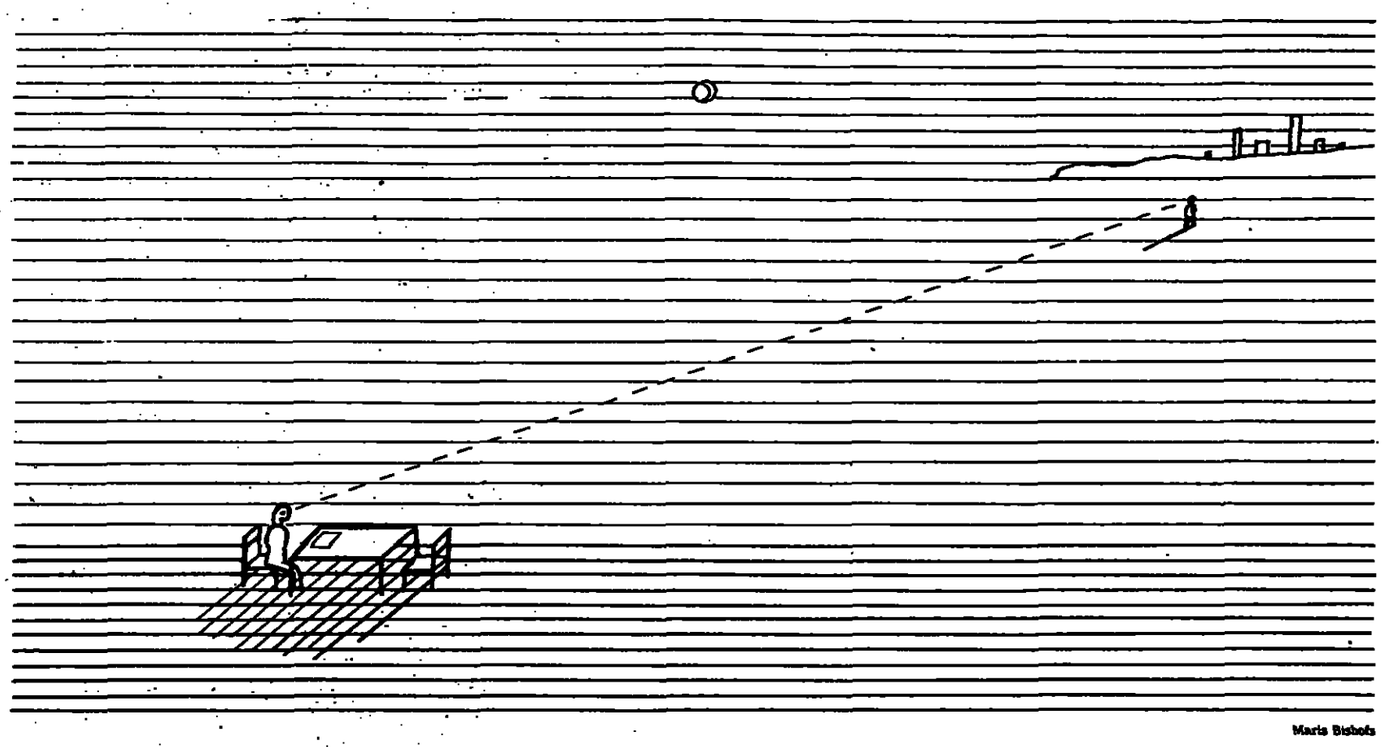
Now neoconservatives shuddered. The Soviet offer was no dramatic breakthrough, but it did suggest movement. Moreover, Mr. Reagan considered it a "serious effort." What if the President, who had remained cherubically innocent of the substance of the arms talks, were suddenly to succumb to Soviet blandishments?

To guard against a United States-Soviet agreement that would compromise S.D.I., hard-liners, one suspects led by Assistant Secretary of Defense Richard Perle, helped shape the substance of a response that was conveyed in a letter from Mr. Reagan to Mr. Gorbachev. The American proposal, as revealed in almost daily press accounts, reportedly agrees to a delay in the deployment of S.D.I. for a period of five to seven years on condition that Moscow accept field-testing of components in the interim and, if it proves feasible, deployment of missile defenses at the end of this period.

Neither Mr. Gorbachev's June 11 proposal nor the President's counter are negotiable. The Russians (and the European allies) are hardly inclined to participate in the demise of the ABM treaty. And Mr. Reagan will certainly not permit his "vision" of S.D.I. to fade from view. Whether a bargain can be struck that is politically and militarily acceptable to both sides remains highly uncertain.

Ironically, however, in spite of the shell game of public diplomacy Washington and Moscow have played, or perhaps because of it, both sides now find themselves in arms negotiations. There may be no endgame in sight, but neither is there a convenient exit. Indeed, neither Mr. Reagan nor Mr. Gorbachev can any longer dismiss the initiatives of the other without incurring political costs in Europe and, for the President's party at least, in the United States as well.

Still, arms control proponents such as Senator Gary Hart maintain that no agreement will be negotiated during the balance of Mr. Reagan's term.



Maria Bishofs

> Neither U.S. faction may want a new treaty

Most liberals share this view because they contend that the President and his advisers are fundamentally bent on arms decontrol. Neoconservatives are convinced that it would be imprudent to enter into any understandings with the untrustworthy Russians that would define the basis of the American strategic force structure. Both may be right.

When all is said and done, however, it may be that neither camp wants an arms agreement if it means, in the case of liberals, that Ronald Reagan will get credit for it, or, in the case of neoconservatives, that it becomes the prelude to another round of detente.

Religion and Politics Don't Mix — or Do They?

By Les Guthman

The Rev. Pat Robertson has fallen from grace, according to pundits and other political experts, after finishing fourth behind Vice President Bush, Representative Jack Kemp and a block of "uncommitted" delegates in Michigan's recent and complicated Presidential primary.

The fundamentalist political crusade predicted by many observers never showed up at the polls. Once that became known, many of those who only hours before thought Mr. Robertson would give Mr. Bush a run for his money (the Vice President spent $1 million), quickly began writing him off as a contender for the Republican nomination.

But to do so would be a mistake. The very facts that Mr. Robertson was seen as a threat, and taken seriously as a contender, showed how far he has come in a very short period of time. He grew in a few months from being seen largely as a political gadfly — an electronic Elmer Gantry from Yale aspiring to lead the remnants of George Wallace's crusade — into a Republican candidate mentioned in the same breath with Mr. Bush, Mr. Kemp, Bob Dole, Paul Laxalt and Howard Baker.

The central fact is that Mr. Robertson achieved his goal of establishing himself as a player in Republican politics. He is expected to end up with 10 to 20 percent of the precinct delegates chosen in the primary, about what Senator Gary Hart did with his "rural strategy" in the 1984 Iowa caucus.

Les Guthman is a writer/producer for NBC Nightly News.

Mr. Robertson's "fall" essentially involved a change in other peoples' perceptions of his political strength, created in large measure by his own mistakes in Michigan. But it is not necessarily a change in substance. His promise that he will have a major say in the Republican nomination may be as strong as ever.

The pastor of a large fundamentalist church in Lansing told his worshipers on the Sunday before the primary: "Michigan is known as one of the most liberal states in the nation. And we're going to change all that now in the name of Jesus Christ our Lord." The pastor never mentioned Pat Robertson. His congregation would have been shocked to hear a campaign pitch given in that manner. But the pastor went on to proclaim, "We're going to win Michigan for Jesus!"

Like many other people, his expectations for Mr. Robertson were high. One associate pastor who signed up as a Robertson staffer said the organizing work done by fundamentalist ministers was "like mining gold" — by which he meant he found a mother lode of support.

> Did Pat Robertson really fall from grace in Michigan?

In the drive to establish his political credentials, Mr. Robertson fueled those expectations. In May, the Freedom Council, his secular grass-roots organization, overstated the number of precinct delegates it had qualified for the ballot. (It claimed many born-again Christians, whether they supported Mr. Robertson or not.)

The Freedom Council announced that it had matched the Vice President in getting delegates on the ballot. Both claimed about 4,500, while Mr. Kemp's Michigan Opportunity Society released a figure of somewhat less than 4,000.

Then the Bush campaign began fueling Mr. Robertson's fire, seeking to blind-side Mr. Kemp. Bush aides characterized the contest as a one-on-one match between Mr. Bush and Mr. Robertson, with Mr. Kemp having fallen far off the pace.

In fact it never was a race of equals. Mr. Robertson was not as strong as he claimed to be. After the May filing, Mr. Bush launched a sophisticated, computerized direct-mail and voter-identification program. The Freedom Council, despite an organizing drive that began months ago, managed only to send many of its delegates a do-it-yourself information kit.

Information was the key. The ballot did not identify delegates by their Presidential preference. In many places, the Presidential contest came at the end of a long, complicated ballot. An exit survey by Mr. Bush's pollster, Robert Teeter, found that 43 percent of those who voted did not manage to mark their ballot in the Presidential race.

If Mr. Robertson's campaign fell victim to inexperience, it was also interesting that his message ran into strong resistance from Republican voters. The NBC News/Wall Street Journal primary-day poll of voters showed they disapproved of Mr. Robertson by more than 2 to 1. Among born-again Christians, he lost to Mr. Bush by a margin of 37 percent to 23 percent (Mr. Kemp received 6 percent). The poll accurately measured the skepticism with which many Republicans viewed Mr. Robertson's leap into politics.

That leap, however, is a new idea in our political life. As Senator Hart found in 1984, Americans tend to approach new ideas with caution.

While Mr. Robertson received a blunt lesson on campaign politics in the era of mass communications, it should not be forgotten that he is a product of that era: someone who has had little trouble in the past mastering its subtleties.

As for his constituency, a sea change is taking place in the Christian fundamentalist movement. Many members of the Lansing congregation had been taught since childhood that even such a basic political act as voting was considered unworthy of the kingdom of God. That is changing. Their pastor was back in the pulpit Sunday. He, along with fundamentalist pastors throughout the country, will continue preaching their political message for the next 18 months, until the next Republican primaries are held.

It is a message laced with the legitimate fear of drugs and crime, along with an appeal to family values, all served up by men who bring to their audience a moral authority that would be the envy of our current standard-setter in these matters, President Reagan.

And the Freedom Council will continue building its political base. That base now includes, as it did before Mr. Robertson's "fall" from grace, control of the Republican Party in three Farm Belt cities — Des Moines, Iowa, and Omaha and Lincoln, Neb. — all achieved within the last four months.

Picking a Doctor in an Information Vacuum

By Andrew Stein

Years ago in this country we began to take it for granted that air travelers were entitled to all the information available on the safety records of individual airlines. Yet today a prospective hospital patient can still get virtually no information on the safety record of that hospital. A New Yorker can routinely pick up a newspaper to learn whether his choice of restaurant has been cited by the Health Department for dirty kitchens. The same New Yorker, however, has no access to the malpractice records of the doctors into whose hands he may have to place his life.

Those anomalies exist because the medical profession and hospital industry prefer it so, and because they have successfully insulated themselves from the effects of the consumer revolution. Doctors and hospital administrators continue to resist every effort to provide information that could help the public make informed medical choices. "Trust us," is what they seem to be saying instead.

A case in point are the reports that hospitals in this state are required to file with the State Health Department. The reports, documenting all cases in which patients are harmed or jeopardized because of hospitals' mistakes or negligence, could be useful in developing comparative data on hospital safety records. Starting last November, they were made available to the public under the Freedom of Information Act. This apparently did not sit well with the hospital industry, and industry lobbyists were able to persuade the Governor and the State Legislature to pass a bill to remove the reports from the purview of the Freedom of Information law.

Andrew Stein, president of the New York City Council, has held numerous hearings on health care.

> You deserve to know something about those to whom you trust your life

Consider also the hospitals' negative reaction to the Federal Government's recent release of a study of hospital mortality rates for certain diagnostic categories and surgical procedures — a survey based on an analysis of the records of more than 10 million Medicare patients.

Health care advocates welcomed the new information, pointing out that it could be used as the basis for further inquiry by patients. For example, someone considering a pacemaker implant at Kings County Hospital would probably find it useful to discover from the Federal report that the hospital performed only two such procedures in 1984, and that both patients died.

But the hospitals don't seem to believe patients can be entrusted with such information. The spokesman for the city's Health and Hospitals Corporation characterized the release of the Federal data as "irresponsible" and "a great disservice to the public and the hospitals." The response from the Greater New York Hospital Association, representing the city's voluntary and proprietary hospitals, was almost identical.

The hospitals' attitude towards the public's right to know was made even more abundantly clear to me after my office sent out a survey on quality of care and safety issues to the executive directors of every voluntary, private and municipal hospital in the city. I had hoped the questionnaire would provide comparative data on patient care practices that would be of use to all New Yorkers.

The response was abysmal. With the exception of one tiny proprietary institution, not a single hospital answered. Instead I got one general response from the Health and Hospitals Corporation and another from the Greater New York Hospital Association. Rather than answers from individual hospitals to specific questions, such as whether attending physicians were present in their emergency rooms 24 hours a day, I received only vague general statements from two umbrella organizations.

This issue happens to be an extremely critical one, since studies have shown that a disporportionately high number of errors are made in emergency rooms by residents or interns. The issue was tragically punctuated recently when Juan J. Gonzalez was released from the psychiatric emergency room at Presbyterian Hospital; two days later, the police say, he went on a homicidal rampage on the Staten Island ferry. A state investigation faulted the hospital for allowing crucial medical decisions to be made by a third-year resident, without proper supervision by an attending physician. Nevertheless, the public still does not know which hospitals do, and which do not, have attending physicians on duty in their emergency rooms.

> Yet a wall of secrecy protects doctors and hospitals from patients

Recently the City Council Health Committee and I held public hearings on our city hospitals. We heard devastating personal testimony from a group of dedicated physicians working in the hospitals. They spoke of running out of vital medical supplies and drugs, of critical staff shortages, of incompetent and uncaring colleagues — conditions leading inevitably to mistreatment of patients.

Once again our hospital leaders demonstrated their cavalier attitude toward the public's right to know, first by suggesting that the mere act of holding such hearings was irresponsible, then by shrugging off the testimony of their own doctors as "anecdotal." I can only assume that what they meant by that phrase was that a certain number of horrible incidents were acceptable.

This record of stonewalling, arrogant response demonstrates that the public can no longer afford to just "trust" them. Hospital administrators have no more right to control the flow of public information on the safety of their institutions than they do to arrogate to themselves the right to do the policing when medical negligence occurs. Patients and their families have a right to all the information they need to make informed choices. Elected officials must insist that the medical establishment oblige. We need more light on our hospitals, not less.

Arts & Leisure

The Secret Art of Andrew Wyeth

By DOUGLAS C. McGILL

"He's a secret person," says Betsy Wyeth. "He still is not telling me where he painted the Helga pictures, or where he stored them, or anything." Yet this, Mrs. Wyeth says, is entirely in keeping with her husband's approach to his art, and to his daily routine as she has known it during the 46 years of their marriage. Each day, she says, Andrew Wyeth goes out to paint without telling her where he will be.

Mr. Wyeth in recent days has sparked a wave of publicity unusual for a rock star, let alone a rural Realist painter. The commotion began when Mr. Wyeth let it be known, two weeks ago, that for the last 15 years he had made 240 drawings and paintings of a beautiful woman named Helga, yet had told no one about the model, including his wife.

While Mr. Wyeth has kept largely silent about Helga and what she means to him, his wife, in two extensive interviews last week, spoke about the Helga paintings, revealing their previously unknown importance to the other art that her husband has made since 1970.

During that period, said Mrs. Wyeth, who also manages the business part of her husband's career, the secret Helga paintings became "the well" to which he repeatedly went in search of visual and emotional power to invest in his other, public work.

"They permeated much of his work for 15 years," Mrs. Wyeth said of the Helga paintings. "There was no letting up in the amount of paintings he released. But the hidden work had a strong influence on other work he's been doing. It's almost as if he gave up an enormous collection of working drawings."

The Helga paintings informed and inspired his other work, said Mrs. Wyeth, through the unusual calculus of observation and transformation that Mr. Wyeth brings to all of his art.

In the world of Andrew Wyeth's paintings, things are not always what they seem. Frequently, for example, he will paint many images on a gesso panel or paper, only to erase them or to paint over them another image that he believes better expresses the inner spirit of the erased or "underpainted" image.

The strong personal associations that he brings to a landscape or building also, Mr. Wyeth feels, imbue that object with a person's spirit. He has often said, for example, that his first painting to embody such feelings was "Winter 1946," a landscape of a hill within sight of which his father, the celebrated illustrator N.C. Wyeth, had been tragically killed at a railroad crossing. "With his death, the landscape took on the quality of him," Mr. Wyeth once said. "The hill finally became a portrait of him."

In a similar manner, Mrs. Wyeth believes, her husband developed certain perceptions of line, form and color — and became imbued with a spirit of energy and life — while working on the Helga paintings. The perceptions and the spirit, she said, later emerged in his public work, sometimes in paintings as strong as those in the Helga series.

"He made an interesting remark," she said. "He said, 'Of all the things I did of Helga sleeping, I finally resolved it when I did 'Night Sleeper.' And that is a 6-foot by 4-foot picture of a dog sleeping."

Another painting, which Mrs. Wyeth believes to be among her husband's best works, is "Barracoon," a portrait of a black woman. She said she was "totally surprised" to see the work, but believes that it was esssentially inspired by his paintings of Helga.

"It's a remarkable painting," she said. "There's Helga, but she's a negress. He told me, 'It just didn't work with Helga,' but he was very tight-lipped. I don't know, and I don't pry. Not if the work is 'Barracoon.' " (The title refers to an enclosure or barracks that was used to temporarily confine slaves awaiting transportation in the time of the slave trade.)



A 1974 drawing of Helga— She informed and inspired his other work.

She added that her husband had made many other paintings in the last 15 years that she believes are as good as the Helga works.

"I would say, probably, that the major paintings are as great as the Helga things, but he wouldn't have done them if he hadn't done the Helga things."

The sudden interest in Mr. Wyeth's newest work seems sure to renew the controversy that has surrounded the artist since his paintings first gained prominence in the 1940's. Then, as today, some saw in Mr. Wyeth's art a subtle blend of abstraction and realism, while others dismissed his work as sentimental evocations of an unreal world.

All of which is unlikely to bother Leonard E. B. Andrews, the publishing entrepreneur and art collector who last April bought the entire group of Helga paintings, and their copyrights, for a sum in the "many millions of dollars." He said that he planned to send the pictures on an international tour of museums, beginning at the National Gallery of Art in Washington from May through Labor Day next year.

Mrs. Wyeth, in last week's interviews, said that as her husband wanders around their farms in Chadds Ford, Pa., and in Cushing, Me., he is up to something far different from seeking picturesque tableaux.

"If you're a race-car driver in the Grand Prix, don't you take chances?" she said. "Why can't you take a chance with art? He's not a bucolic artist who walks around farms looking for cracked walls. It's quite a different thing. He goes to the edge. That's exactly what you're looking at in the Helga collection."

What does it mean to take risks while making a painting? Mrs. Wyeth began by describing how her husband often seems to change in personality while he is painting — something she has herself experienced while modeling for him.

"When I pose for him, I think, 'Here is the father of my sons, but he is an entirely different man,' " she said.

Mrs. Wyeth said her husband told her that Helga was one of his best models ever. "He said, 'Oh, my God, I've never had such a model. He has mentioned how quiet she was, how she never spoke. She was a great model as far as posing. She would look at him and say, 'You've only been painting and drawing for four hours.' He'd almost fall over from exhaustion."

Helga is Helga Testorf, a 54-year-old mother of four who lives in Chadds Ford, and who was for a time the nurse of Karl Kuerner, a farmer who was for many years a favorite subject in Mr. Wyeth's paintings. Mrs. Testorf has refused to be interviewed since the news of the Helga paintings was released.

Mr. Wyeth has also declined to speak at length about Helga, or about his convictions and working methods as an artist. Yet he did say, last week, that he considered two previously published interviews — one in Life maguzine in 1965, and another in a 1976 catalogue with Thomas Hoving, then the director of the Metropolitan Museum of Art — to remain his definitive public statements as an artist.

In the 1965 interview, Mr. Wyeth told Richard Meryman of Life magazine that he would be stopped creatively if someone watched him while he painted.

"I never let anyone watch me painting," he said. "I don't want to be conscious of myself. I think it would be like somebody watching you have sex — painting is that personal to me."

While Mr. Wyeth has said nothing publicly about his relationship to Helga, he has several times previously described his relationship to his models.

"I am a very strange portrait painter," he told Mr. Hoving in the 1976 interview. "Most portrait painters stay three or four feet away from the model. I don't, I may be six inches and sometimes even closer than that to the model. I like the communication. You can seen the pores and the act of breathing and you can almost feel the moist hot breath."

In the Life magazine interview, Mr. Wyeth described in detail the painting of "The Patriot," his famous portrait of a Maine farmer, Ralph Cline, wearing his World War I uniform.

"You see, I'm a secretive bastard," he said. "That's why Ralph Cline fitted right in with me. Nobody knew he was posing and he loved that — maybe it was the Indian in him. He made a trapdoor with a lock on it to keep people out of the loft. Just what *I* love."

Mr. Wyeth also described his practice of roaming the lands around his Maine and Pennsylvania farms, seeking inspiration for his art.

"I don't say, 'Well, now, I'm going to go out and find something to paint.' " Mr. Wyeth said. "To hell with that, you might as well stay at home and have a good glass of whisky. Really, I just walk a great deal over the countryside. I try to leave myself very blank — a kind of sounding board, all the time very open to catch a vibration, a tone from something or somebody, like Ralph Cline.

"I wish I could paint without me existing — that just my hands were there. When I'm alone in the woods, across these fields, I forget all about myself, I don't exist. I'd just as soon walk around with no clothes on."

Such comments help to illuminate what Mrs. Wyeth means when she speaks of "the edge," and "taking chances" in art.

As she said of her husband last week, "he's a man who loves to play a very dangerous game with life. He loves to go right to the edge, and not quite go over. A very, very dangerous man. He loves the challenge, but he never loses control."

While acknowledging the possibility of sexual feeling in a close artist-model relationship, Mrs. Wyeth says she believes such feelings were never consummated in Mr. Wyeth's relationship with Helga. "If there is this sexual thing," she said, "if he went over the bounds it wouldn't be a painting. He would lose the magic. It would go."

What Makes a Gifted Artist Drop Out in Mid-Career?

By DONAL HENAHAN

I hope you were as cheered as I was to read recently that Van Cliburn paid frequent visits to the Manhattan town house of his old friends Imelda and Ferdinand Marcos, who kept three Steinway grands at the ready for just such occasions. I had not thought of the enigmatic Mr. Cliburn for a long time and perhaps you had not, either. In fact, there must be many young music listeners to whom Van Cliburn is merely a name in American history, like John Philip Sousa.

Whether Mr. Cliburn actually sat down at the Marcos Steinways and played, and if so, what, the news report failed to say. But I think he would not resist running off a few scales, at least, and maybe a bit of Chopin. What heartens me is the realization that an audience of sorts would have attended to these impromptu performances. Somebody may know, then, if Van Cliburn still can play.

To anyone who followed Mr. Cliburn's perplexing career the news that he still might be persuaded to sit down at a piano occasionally, for whatever audience, can only be a comfort. It is better than imagining him holed up somewhere like Gloria Swanson in "Sunset Boulevard," thumbing through his clippings. It is less depressing than remembering him only as the most famous dropout in United States concert history. I put it that way to allow room for argument over the defection of Glenn Gould, a Canadian pianist who also tired of concert life. Mr. Gould, however, continued to record prolifically after abandoning live performance and kept the public aware of his activities by writing inimitably fey polemical prose and by cultivating a network of critics and journalists to promote his legend of inaccessibility. Mr. Cliburn, by contrast, though apparently visible enough socially, has been a recluse artistically for nearly a decade.

In the beginning, Mr. Cliburn's playing certainly deserved much of the praise heaped upon it. He had a contest-winner's technique, of course, but it was his ardent style and unabashed display of temperament that made such a startling impression on listeners in a postwar time when most young pianists were concentrating on perfecting a fashionable kind of brilliant but heartless accuracy. His storybook triumph in 1958 at the Tchaikovsky International Piano Competition in Moscow, which made him an American culture hero, also made him a rich man.

Within a couple of years, however, Mr. Cliburn's playing began to go into a decline. He appeared to be lucky in that the music he played best happened to be the music the public loved most. He wore out the Tchaikovsky First and the Rachmaninoff Third, his Moscow contest pieces, partly because they were what the audience demanded. In fact, his own interests were similarly constricted. His occasional dips into Classical repertory sounded perfunctory and strangely slack, as if the pre-Romantic sensibility were foreign to him. The suspicion grew even among warm admirers that Mr. Cliburn's might be a musically narrow talent. And possibly Mr. Cliburn, not an insensitive man, began to share that suspicion.

From the mid-1960's on, his appearances in New York became so infrequent that some critics began to suspect his manager, the canny Sol Hurok, of trying to conserve the young pianist's reputation. Despite Mr. Cliburn's renown, to date he probably has given fewer recitals in Manhattan than any celebrated pianist in recent history. Now and then, he did turn up as a concerto soloist, generally earning tepid reviews or worse.

It was hard to see how he could go on that way, and he did not. After a Toledo concert in 1978, Mr. Cliburn retired from the stage and since then most of his public appearances have been ceremonial, social or in furtherance of the Fort Worth piano competition that bears his still-famous name. Even in his years of musical decline, however, the public continued to be fascinated by him. His fee, which soared in the wake of his Moscow success and the New York ticker-tape parade that followed, remained as high as any in the music business. To this day, in fact, the Cliburn name has not lost its brand-name recognition — if he announced his return to public performance tomorrow, he probably could name his fee. America sometimes forgets its artists, but not its celebrities. Van Cliburn, thanks to some alchemical mixture of talent and public-relations, is sure of a niche in our celebrity pantheon, along with such departed immortals as Stokowski, Toscanini and Jose Iturbi.

And yet, Mr. Cliburn is still very much with us. At age 52, he hardly can be reconciled to premature enshrinement. Virtuoso pianists, especially, often seem to be just finding themselves as artists at an age when other people are filing for Social Security. Judging by the durable careers of such pianists as Arthur Rubinstein, Rudolf Serkin, Mieczyslaw Horszowski, Vladimir Horowitz, Wilhelm Kempff and Claudio Arrau, Mr. Cliburn should now be in midpassage, his art and his craft ready to ripen. So what made Mr. Cliburn, the most celebrated American-born pianist who ever lived, give it all up so early? The comfort of a large bank account? Musical boredom? A sudden loss of appetite for applause? Personal problems? Disenchantment with the tiresome life of a touring virtuoso?

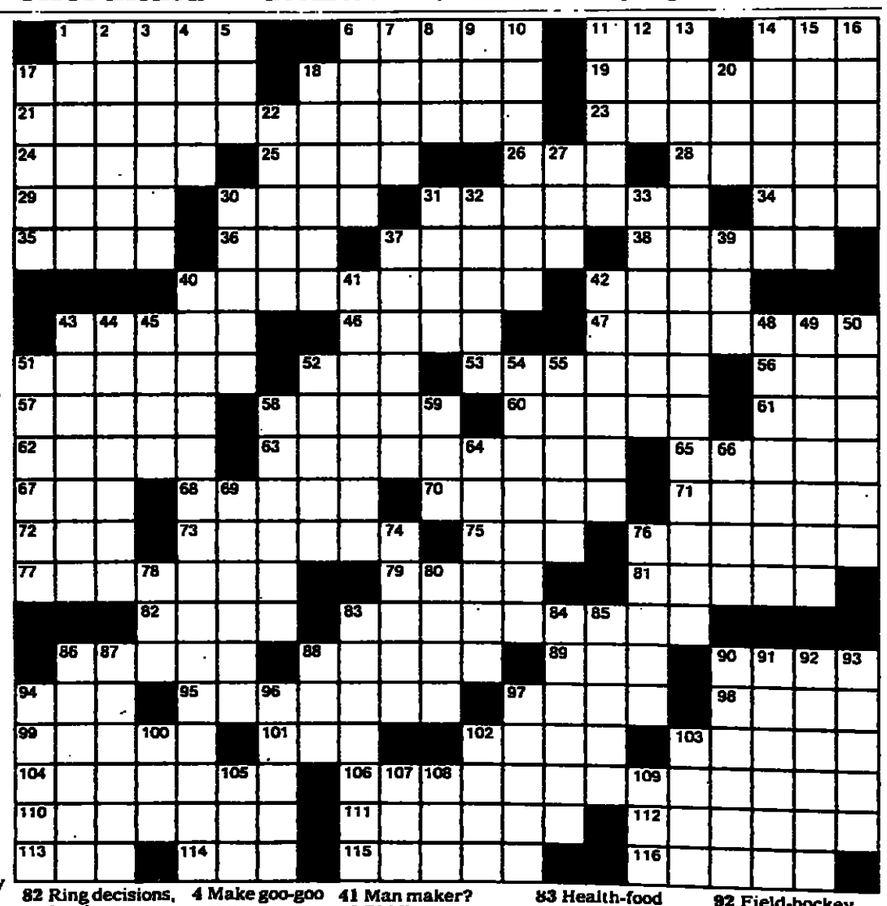
Perhaps some combination of these factors, and a few others. My guess would be that a lack of intellectual curiosity contributed most importantly to Mr. Cliburn's inability to sustain a public career. His repertory, though it made occasional excursions into Classical and modern areas (Beethoven, Mozart, Prokofiev, Samuel Barber) never really challenged him to go beyond the sort of post-adolescent ardor that first made his playing famous. What we cannot know, of course, is what changes if any have taken place in Van Cliburn's playing since his retirement — supposing, of course, that he still plays seriously and not merely to charm uncritical friends. In an interview last year, Mr. Cliburn said he occasionally reads through new works that publishers send him and keeps his hand in with the older composers. He even left dangling the possibility that one day he might return to public performance, though he did not sound very optimistic about that.

What mysterious bundle of drives is it that keeps one extraordinarily talented artist active into venerable old age while another loses interest in comparative youth? Whatever those impulses may be, they probably are out of the control of the artist. Money cannot have everything to do with it: Stokowski, Rubinstein and Toscanini all were in comfortable circumstances, but were nonetheless driven to keep on performing almost until they dropped. Perhaps they had egos that no amount of artistic success and/or applause could ever satisfy. Perhaps they were simply limited men, absorbed all their lives in admiring their own talent and insatiably hungry for applause. If there were no more than that to it, the decision of a Cliburn or a Gould could seem perfectly sane and admirable, rather than a sign of temperamental weakness or failure of nerve. Somehow, I doubt it.

For all I know, Van Cliburn is practicing eight hours a day right now, preparing for a return to action that will refurbish his legend and put him in the boomerang class of Vladimir Horowitz. More likely, he will not risk losing his celebrity status by putting the question of his artistic maturity to the test. After all, he already has a secure place in American cultural history and, to a lesser extent, in musical history as well.

Musical Shorthand

BY ALFIO MICCI/Puzzles Edited by Eugene T. Maleska



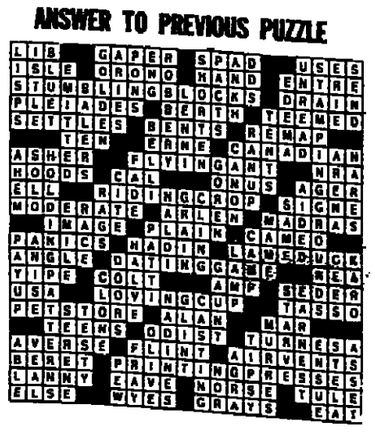
ACROSS

1 Casaba
6 Zeno follower
11 —— juris
14 Bribe
17 Body shop
18 Stevens or Dallas
19 Youmans-Caesar hit: 1924
21 Brown-Freed hit: 1935
23 Greeks of yore
24 Start of a Dostoyevsky title
25 Olive's folks
26 Freshwater fish
28 —— on the line (be truthful)
29 Last Supper painting
30 Perry's creator
31 Overseas residence
34 Wallet bill
35 "Henry VI, Part II" character
36 Aviation agcy.
37 Member of the wedding
38 Cheech's sidekick
40 Fain-Kahal hit: 1938
42 Mmes. of Spain
43 Former 5-franc coin in Brussels
46 Oahu cookout
47 Board game and Italian city
51 Beethoven's is in G
52 Energy source
53 Algonquian people
56 Boxer Lee —— of Joe Louis's day
57 Rumor
58 Place for a "steak-out"
60 Diva Adelina
61 "6 Rms —— Vu"
62 March king
63 Jones-Kahn hit: 1924
65 Artist Andrea del ——
67 Kind of bullet: Abbr.
68 Porter's "—— Went to Haiti"
70 Dais V.I.P.
71 Tuck or Laurence
72 Spanish "L"
73 Least cordial
75 Interrogative expressions
76 Half
77 Stravinsky's "—— du Printemps"
79 Greek peak
81 Clean the board
82 Ring decisions, for short
83 Kern-Hammerstein hit: 1927
86 Unworthy of
88 Prepares eggs, in a way
89 Opera mecca
90 Changed the color
94 Zilch
95 Free as a bird
97 Composer Bartók
98 Kan. city
99 Tune
101 Cry of surprise
102 She, in Paris
103 Less naive
104 Lament
106 Start of a 1936 Porter hit
110 To such an extent
111 Van Gogh's "—— Arles"
112 Was a good child
113 Noshed
114 Prefix for corn or cycle
115 Palindromic belief
116 Evita or Juan

DOWN

1 Spoiled
2 Regal fur
3 Professional's antithesis
4 Make goo-goo eyes
5 Modern, in Mannheim
6 Panache
7 Polanski flick
8 Danube tributary
9 Laders' org.
10 Reindeer's kin
11 Piggeries
12 Celestial sighting
13 Dubin-Warren hit: 1934
14 Extend one's visit
15 In possession of
16 Paris mail
17 Emilio of fashion
18 Astronauts' workshop
20 Estuary
22 Reef material
27 Beaver creation
30 Renown
31 Soprano Berger
32 Bigwig
33 Scenario
37 Child, to a Roman chef
39 Barcelona bear
40 Porter hit: 1934
41 Man maker?
42 Phidian creation
43 Card game akin to bezique
44 Lasts
45 Pitcher Tiant
48 Trowbridge trucks
49 Copy
50 Toothsome
51 First Tevye
52 "Gymnopédies" composer
54 Of a historic interval
55 Local cinemas, for short
58 Has mercy
59 Canticle
64 Compound-word separation
66 "Un bel dì," for one
69 "Uneasy lies the head that wears ——": Shak.
74 Wicker's "A Time ——"
76 "Gin a body —— body . . .": Burns
78 Part of NATO
80 Auctioneer's cry
83 Health-food favorite
84 Spanish or Western
85 Lupe of old flicks
86 Two-pronged instrument
87 Slip by
88 Pasture sound
90 Comic from Lima, Ohio
91 Start of a Bernstein-Comden-Green hit: 1953
92 Field-hockey team
93 Challenged
94 Comaneci or Boulanger
96 Colette title
97 Puff up
100 Arafat's org.
102 Salinger heroine
103 —— it (amen)
105 Campaigned
107 Jane or John
108 Japan's Feast of Lanterns
109 Go one better

ANSWER TO PREVIOUS PUZZLE



The GSS pardon case

LAW REPORT / Asher Felix Landau

In the Supreme Court sitting as the High Court of Justice before the President, Justice Meir Shamgar, the Deputy-President, Justice Miriam Ben-Porat, and Justice Aharon Barak, in the matter of Yitzhak Barzilai and others, petitioners, versus the Government of Israel and others, respondents (H.C. 428/86, 429/86, 431/86, 446/86, 448/86, 463/86).
(This article is a continuation of the Law Report that appeared last Friday.)

JUSTICE Miriam Ben-Porat, concurring with Justice Shamgar, dealt first with the cases of Reuven and Matana, quoted by him, and relating in particular to the opinion of Justice Barak that they did not contain a clear ruling as to the president's power of pardon before conviction.

After close analysis her conclusion was that the contrary applied. She also cited the judgment of Justice Haim Cohn (for many years the attorney-general) in the Reuven case, in which he referred to the grant of a presidential pardon before conviction as a standard practice. These two factors, she said, had an important bearing on what the court should now decide, considering also that the legislature had not made any move to change the effect of the above decisions. It was also true, she said, that later legislation sometimes created a change in existing laws, but she had found no convincing basis for departing from the existing practice and the above precedents.

Justice Ben-Porat then considered the question at issue in the light of the language of section II (b) of the Basic Law: the President of the State. In this regard she referred to Article 16 of the Palestine Order-in-Council of 1922, under which the high commissioner under the British Mandate was specifically empowered to pardon an offender before he was tried. She pointed out, however, that since she and her colleagues agreed that, linguistically speaking, section II(b) was sufficiently wide to cover that power, the principal question was the purpose for which the section was enacted.

Justice Ben-Porat then dealt with the two objectives in granting a pardon. It was true that before the law provided for the rehearing of a criminal case, the main purpose of a pardon was to reverse an injustice done to a convicted person. However, there was also the other objective, the public interest, and in her view the decisions in the cases of Reuven and Matana supported the opinion that the public interest could sometimes prevail over the interest of trying an offender, or completing his trial.

Justice Barak had also agreed that there could be cases, such as that of a suspect suffering from a malignant disease, in which a pardon would be preferable to his being tried, or to staying his prosecution, but he did not regard this feature as justifying a wide interpretation of section II(b). However, she was of opinion that in certain circumstances a vital public interest could justify a pardon before trial.

JUSTICE Ben-Porat then analysed various situations relating to suspects or persons already accused where a choice had to be made between the conflicting interests of the person concerned and of the public. The attorney-general, for example, in deciding whether or not a police investigation should be conducted or completed, assuming he was empowered so to decide, would be justified in taking into account the public interest. The same would apply to his decision as to whether to order a person to be tried, or to stay a prosecution.

Indeed, if, as some authorities had held, the police were obliged by law to investigate a complaint of the commission of a felony, a pardon would be the only way of halting the process if it endangered a vital public interest such as the security of the state.

Another example related to the admissibility of privileged evidence under section 44(a) of the Evidence Ordinance (New Version) of 1971, as considered in the case of Livni (Miscellaneous Applications 838/84 – see *The Jerusalem Post*, January 14, 1985).

In that case the court considered the power of a Supreme Court justice (not involved in a particular criminal case) to decide whether the privilege claimed in respect of certain evidence by the prime minister or minister of defence in the interests of state security should be upheld, or whether the other interest, that of doing justice, should be preferred. The court pointed out that if it held that the evidence should be disclosed, it was still open to the prosecution not to proceed with the case, even if this would lead to the accused's acquittal.

In the Livni case, Justice Barak himself described the conflict of interests, adding that "this struggle is particularly sharp in our case, since on the one hand we are zealous in demanding fairness in criminal proceedings and maintaining public confidence in them...while on the other hand we are subject to considerable security risks, which have beset us for a long period."

She did not fear, said Justice Ben-Porat, that recognizing the president's power of pardon before conviction would lead to an excessive use of this power. As was pointed out in the Matana case, the law demanded that the act of pardon be supported by the signature of the prime minister or some other minister, usually the minister of justice, who had the necessary facilities to investigate the matter fully before making his recommendation. Moreover, there is also the possibility of judicial review of the president's decision. It was clear, however, that since a decision to grant a pardon before conviction always involved a conflict between the interest of equality before the law and some other vital external interest, the power of pardon in such cases should be exercised very sparingly.

THE IDEAL authority to grant a pardon, said Justice Ben-Porat, was the president of the state, representing the people. As was said by an American authority cited by Justice Shamgar, "...Crime is an offence against the people, prosecuted in the name of the people, and the people alone can bestow mercy by pardon-...the people may confer the pardoning power upon any officer or board that they see fit." From the point of view of the separation of powers, the president exercises residuary or reserve power, and should act only when the desired object cannot be achieved by another authority of the state.

Justice Ben-Porat agreed with Justice Shamgar that no fault could be found with the grounds upon which the president acted. She also agreed that in view of the attorney-general's intimation that a police inquiry would be conducted, there was no need for the court to deal with that subject.

JUSTICE Aharon Barak dissented from his colleagues. He agreed, however, as to the standing of the petitioners to approach the court although some of them did not have a direct personal interest in the subject of the petitions, and he also agreed that there was no need for the court to deal with the question of a police inquiry.

He also agreed that the president of the state could not be brought before the court as a respondent, but he stressed the power and duty of the court to review the legality of all the organs of the state, including the president. This was an essential feature of a democratic regime, it being the task of the court to judge the acts of the executive in accordance with basic constitutional and legal standards.

In regard particularly to the power of pardon, he cited the words of the great political scientist, Jeremy Bentham, "From pardon power unrestricted, come impunity to delinquency in all shapes, from impunity to delinquency in all shapes, impunity to maleficence in all shapes, from impunity to maleficince in all shapes, dissolution of government, from dissolution of government, dissolution of political society."

Justice Barak then considered the meaning of the term "offender" in section II(b) of the Basic Law, and concluded that that term itself gave no answer to the question before the court. It clearly included a person who had been convicted, but could also refer to others whose cases had not reached that final stage. It was necessary, therefore, to examine the legislative purpose of the section.

Justice Barak then referred to the Transition Law of 1949, the first Israeli statute which conferred upon the president of the state the power of pardon. After he had reviewed the material which was considered at that time by the Law Committee of the Provisional Council of State, his conclusion was that there was no indication of the extent of the president's pardoning power, and it was clear that the council did not base itself on any particular model, and certainly not on the powers of the English monarch, the high commissioner, or the president of the U.S.

Moreover, as emerged from an opinion of the former attorney-general, Prof. Yitzhak Zamir, the Law, Justice and Constitution Committee of the Knesset, in considering the proposed Basic Law: the President of the State, which would abrogate the Transition Law of 1949 in this respect, intended clearly that the term "offender" should refer only to a person already convicted of an offence.

However, Justice Barak said he was not prepared to attach too much weight to the legislative history of the section in question. We did not know the intention of those members of the Knesset who were not on the Law Committee, and in any case the court should base itself "on an analysis of the law and not on the psychoanalysis of the legislature."

The Basic Law: the President of the State was an autonomous and independent law of the Israeli legislature, dealing with the constitutional framework of the state. The court, therefore, must take a "spacious view" of the law, as expressed by American Justice Felix Frankfurter, bearing in mind, in the words of Justice Oliver Wendell Holmes, that "a pardon in our days is not a private act of grace from an individual happening to possess power. It is a part of the constitutional scheme."

Moreover, as Justice John Marshall of the U.S. once said, "...the primary source for analysing the scope of (the power of pardon) is our own republican system of government." He therefore concluded, said Justice Barak, that the power of pardon exercised in countries having a different constitutional system from that of Israel could give no guidance in interpreting our statute. On the other hand, we could be guided by the position obtaining in countries with a similar system, always bearing in mind that Israel was sovereign and independent in its own legislation.

JUSTICE Barak then analysed the power of pardon of the English monarch, pointing out that that power was based upon the conception that the king was the source of all law. His prerogative was unlimited. He was the source of prosecutions and therefore of pardons. Nevertheless, a leading authority, Edwards, had said that despite the king's absolute power, "such practice (of granting a pardon before conviction) is out of harmony with modern views as to the propriety of granting dispensation before the normal process of the criminal law has run its course." We could be guided, said Justice Barak, by the practice followed by the English monarch today.

In regard to the power of pardon of the president of the U.S., Justice Barak quoted from an American case that "at the time of the adoption of the Constitution, American statesmen were conversant with the laws of England, and familiar with the prerogatives exercised by the crown. Hence, when the words "to grant pardons" were used in the constitution, they convey to the mind the authority as exercised by the English crown, or by its representatives in the colonies. At that time, both Englishmen and Americans attached the same meaning to the word "pardon." The position was, therefore, said Justice Barak, that the basis of the power of pardon in England and the U.S. was entirely different from that in Israel. In the U.S. the president was the chief executive authority, and responsible for the administration of the law. In Israel the president had no executive powers. It was clear that generally speaking, the situation in England and the U.S. could guide us in interpreting our laws since they too had democratic regimes. That, however, did not apply to the nature of the power of pardon in those countries.

Justice Barak then examined the power of pardon in various European countries, and in India and the Philippines, pointing out that also in those countries the power could be exercised only after conviction. He then turned to consider the president's power in Israel in the light of the principle of the separation of powers and the place of the presidential pardon in the general constitutional framework of the state.

In his view, the power of the president was additional to that of other state authorities. It was the other authorities – the police, the prosecution and the courts – which had the power, and also the facilities, to deal with all the stages of a suspect being examined, charged, and brought to trial. It was not intended that the president should be able to intervene in this process, and intrude into the exercise of the power vested in other state authorities.

It was reasonable that the president would enter the picture after the courts had fulfilled their function. They had the administrative and normative ability to decide as to innocence or guilt, but the president had no means to investigate the truth.

Another feature was that there was no direct judicial review of the president's exercise of his power. True, his decisions in regard to pardon could be reviewed indirectly, but that was not sufficient. For example, if he pardoned a particular person, but refused to pardon someone else, that latter person would have no remedy. It was unreasonable to assume that that same legislature which placed the president beyond the reach of the courts would grant him pardoning powers in place of the powers of other authorities who could be brought before the courts.

IT HAD been argued that the desired result could be achieved by recognizing the legal power of the president to grant a pardon before conviction, but, as is the case in England, ensuring that he does not in practice exercise that power. He could not accept that solution, said Justice Barak. Firstly, constitutional norms could not be built on hopes. Basic principles of government were not built on the assumption that all would proceed as planned. Secondly, the very existence of a power created a temptation to exercise it. The president would be exposed to pressures.

The need to regard the president as the symbol of the state, and to isolate him from political rivalries, demanded that his power of pardon be clearly excluded until an offender had been convicted. Thirdly, judicial review of the president's pardoning power if he intervenes in the activities of other authorities was likely to be ineffective, for if he acts within his lawful powers, the power of the court to interfere would be severely limited.

He was aware, said Justice Barak, that sometimes very exceptional situations could arise in which, from the practical point of view, it would perhaps be desirable that the presidential power of pardon should be extended as now argued. However, this factor was not sufficiently cogent, in his view, to justify the grant of that power.

In his opinion, the Israel legislature did not intend to constitute the president as an authority above all other authorities in the state, and did not intend that he should be able to intervene in the powers of other authorities responsible for the conduct of criminal justice. He was of opinion, therefore, that the president was empowered to grant a pardon only to an offender who had been convicted of an offence by the courts.

For the above reasons, and by majority decision, the petitions were dismissed. The judgment was given on August 6, 1986.

BASEBALL

Ferocious Tigers savage Bosox

NEW YORK (AP). – The Detroit Tigers turned Fenway Park into a driving range on Saturday, whacking 21 hits en route to a 12-6 victory over the American League East-leading Boston Red Sox.

It was the most hits made by the Tigers in a game since they collected 23 in Texas on July 7, 1978. The loser was Dennis "Oil Can" Boyd, 11-9, who gave up all the Detroit hits.

AMERICAN LEAGUE

Royals 4, Yankees 2

Hal McRae's two-run double capped a three-run sixth inning.

Blue Jays 13, Rangers

Ernie Whitt drove in four runs with two doubles and a single, leading Jimmy Key and Toronto.

Indians 2, Orioles

Phil Niekro won the 309th game of his career, losing his shutout in the ninth inning on an Eddie Murray homer.

Brewers 6, White Sox 5

Pinch-hitter Ben Ogilvie hit a two-run triple in the eighth inning to lift Milwaukee over Chicago.

Mariners 7, Twins 6

Alvin Davis hit a two-out solo home run in the ninth inning to boost Seattle over Minnesota.

Angels 5, A's 2

Right-hander Mike Witt pitched one-hit ball following Dwayne Murphy's first-inning solo homer and Doug Decinces drove in three runs.

NATIONAL LEAGUE

Cubs 5, Expos 0

Rookie Jamie Moyer retired the first 19 batters he faced and pitched a one-hitter.

Cardinals 3, Mets 1

John Morris's triple off Roger McDowell scored Terry Pendleton to break a 1-1 tie in the 11th inning.

Dodgers 6, Giants 5

Steve Sax keyed a five-run fourth inning with a two-run single, and Los Angeles withstood a four-run ninth inning to beat San Francisco.

Pirates 6, Phillies 1

Phillies 6, Pirates 0

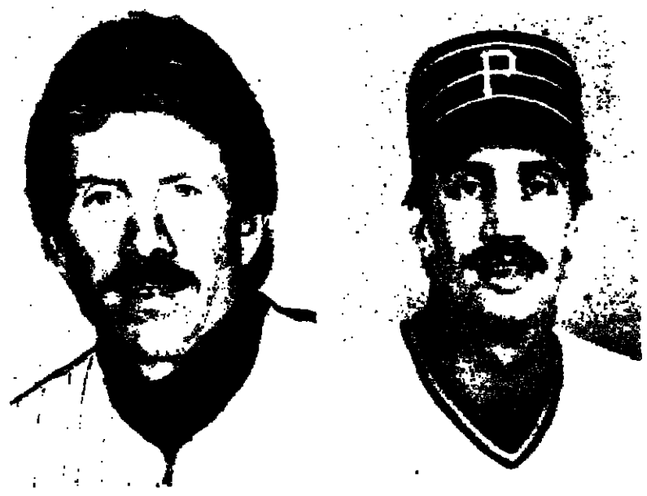
Tom Hume and Kent Tekulve combined on a one-hitter, and Mike Schmidt and Juan Samuel homered in the nightcap. Sid Bream drove in four runs with a homer and three singles to lead the Pirates in the opener.

Reds 4, Padres 1

Hot-hitting Buddy Bell hit a three-run homer, his third in two days, and Bill Gullickson pitched a strong game.

Astros 7, Braves 4

Kevin Bass drove in three runs.



HOMER-HITTERS. – Mike Schwartz of the Phillies and Sid Bream of the Pirates gave balls harsh treatment.

AMERICAN LEAGUE EAST

	W	L	Pct.	GB
Boston	68	48	.586	-
New York	65	53	.551	4
Detroit	63	55	.534	6
Baltimore	62	55	.530	6½
Toronto	56	62	.525	7
Cleveland	60	57	.513	8½
Milwaukee	58	58	.500	10

WEST DIVISION

	W	L	Pct.	GB
California	64	52	.552	-
Texas	61	56	.521	3½
Kansas City	60	56	.444	12½
Chicago	51	64	.443	12½
Oakland	52	67	.437	13½
Minnesota	51	66	.436	13½
Seattle	51	68	.429	14½

SATURDAY'S GAMES:

Detroit 12, Boston 6; Cleveland 2, Baltimore 1; Toronto 13, Texas 1; Kansas City 4, New York 2; Milwaukee 6, Chicago 5; Seattle 7, Minnesota 6; California 5, Oakland 2.

NATIONAL LEAGUE EAST

	W	L	Pct.	GB
New York	70	46	.603	-
Montreal	69	55	.556	10
St. Louis	66	56	.500	13
Philadelphia	58	61	.466	17½
Chicago	51	66	.436	22½
Pittsburgh	47	69	.405	26

WEST DIVISION

	W	L	Pct.	GB
Houston	67	50	.573	-
San Francisco	61	56	.521	6
Los Angeles	57	60	.487	10
Cincinnati	56	60	.483	10½
Atlanta	54	62	.466	12½
San Diego	54	63	.462	13

SATURDAY'S GAMES:

St. Louis 3, New York 1, 11 innings; Los Angeles 6, San Francisco 5; Pittsburgh 6, Philadelphia 1, 1st game; Philadelphia 6, Pittsburgh 0, 2nd game; Cincinnati 4, San Diego 1; Chicago 5, Montreal 0; Houston 7, Atlanta 4.

SOCCER by PAUL KOHN

From the change-room

TEL AVIV. – Avi Cohen, the national team captain who wanted to sign for Glasgow Rangers, yesterday joined Maccabi Tel Aviv at their training camp in Germany. The management of Maccabi Tel Aviv claim that they have persuaded Cohen to remain with the club and to forego his last chance of football abroad. Cohen is 29 years of age. Cohen's lawyer says all his options are still open.

Since his return from playing and training with the Scottish club for several weeks, only to find his Tel Aviv club strongly opposed to releasing him, Cohen and his lawyer demanded a five year contract from Maccabi Tel Aviv. Cohen also wants a promise that he will be appointed coach or manager of Maccabi Tel Aviv when his playing career ends with the team.

Meanwhile, the Maccabi Tel Aviv attack has been strengthened with the signing of Oded Machness, the 30-year-old striker twin, who became famous playing for Maccabi Netanya.

The exodus of Israel teams going abroad for pre-season training camps will reach its peak this week. Hapoel Tel Aviv are already in Romania. While they await the signing of Zahi Armeli, two new faces in the Hapoel squad this season will be goalkeeper Giora Antman, from Hapoel Haifa, and Yehuda Zaguri, the midfield player from Maccabi Yavne.

CRICKET

Botham is back

LONDON (Reuter). – All-rounder Ian Botham has been recalled to the England side for the third and final Test against New Zealand at the Oval starting on Thursday.

With England needing to win to save the series, the England selectors have selected the strongest side available, including opener Graham Gooch, who is not available for the tour of Australia later this year.

Allan Lamb has also been recalled a recognition both of his undoubted class and some brilliant batting in the county championship. Opener Martyn Moxon and all-rounder Derek Pringle have been dropped.

Team: Graham Gooch, Bill Athey, David Gower, Mike Gatting (Captain), Allan Lamb, Ian Botham, Peter Willey, John Emburey, Phil Edmonds, Bruce French, Graham Dilley, Gladstone Small.

TENNIS

According to form

TORONTO (AP). – Second-seeded Boris Becker of West Germany outlasted Jonathan Canter of the United States 7-6 (7-4), 7-6 (7-3) to advance to the finals of the Player's International Tennis Tournament here.

Becker's opponent in the final will be Stefan Edberg of Sweden, who polished off South African Christo Steyn 6-1, 6-2 in the other semi-final. Two hours earlier, Steyn had played his rain-delayed quarter-final match against Kevin Curren of the United States and advanced with a 7-6 (8-6), 7-6 (8-6) win.

In Los Angeles, tournament favourites Martina Navratilova and Chris Evert Lloyd will dispute the final of the Los Angeles Women's Tennis Tournament. Navratilova, the number one seed, beat Helen Sukova of Czechoslovakia 7-6 (7-2), 6-1 in one semi-final, while Evert-Lloyd, the number two seed, disposed of her compatriot and number four seed, Pam Shriver, 6-4, 6-4.

Rebels recalled

WELLINGTON, (AFP). – The New Zealand rugby selectors have named 10 rebel players who had played in South Africa in a team to play Australia next week, sparking protests from anti-apartheid activists here.

SWIMMING

Israelis eliminated

MADRID (AFP). – Adrian Moorhouse of Britain swam a new European record time for the men's 100 metres breaststroke in heats yesterday for the World Swimming Championships event here.

His time of 1min. 2.28sec. broke the record of Italy's Gianni Ninervini, who swam 1min. 2.61sec. at Pezzaro in Italy on August 20, 1985.

Both Israelis were eliminated after their heats. Eyal Stiegman came fourth in his heat of the 100m., with a time of 1:05.59, but this was not good enough to qualify him for the last 16 swimmers. Segev Porat was 6th in his heat of the 200m. freestyle, with a time of 1:54.36, but he too failed to qualify.

Record-breaker

COLOGNE (AFP). – Bulgaria's Iordanka Donkova, who only four days ago equalled the world record for the 100M hurdles, yesterday achieved her ambition when she broke the six-year-old mark.

In fact, she broke it twice in one day, clocking 12.34 in a heat and then 12.29 later.

Motor-racing

Alain Prost won the Austrian Grand Prix in 1:21.22 in a Mclaren Tag.

ATTENTION BRITISH CITIZENS LIVING ABROAD

1	BROWN (Andrew Brown, of 6 Orchard Grove, Maida Va... London ...2 ...)	DON'T BE X CLUDED!
2	SMITH (John Phillip Smith, of 21A Highfield Road, Enfield, Middlesex EN6 2DR)	
3	JONES (Albert David Jones, of 11 Charlton Court, London NW1)	

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Your vote will be cast in the constituency in which you were last registered before leaving the UK.

In order to qualify you will have to fill in a declaration form and return it by 10th October 1986 (15th September if you were previously resident in Northern Ireland).

Forms and an explanatory leaflet are available from your nearest diplomatic or consular post.

PLEASE LET OTHER BRITISH CITIZENS KNOW THAT THEY MAY ALSO BE ELIGIBLE TO VOTE IN THE UK.

Ad executives defend controversial practice

The ploy of sex: Ads that entice

By MICHAL YUDELMAN
Jerusalem Post Reporter

The upturned posterior of a model posing in a Gideon Oberson bathing suit in huge poster advertisements created a public uproar this summer, causing ultra-Orthodox and feminist circles to close ranks in protest. The religious community regarded the poster as obscene, while feminists declared it was degrading to women.

The protest had hardly died down when a new bus-shelter ad made its debut, with a semi-nude beauty declaring: "My Body – His Head." The ad was meant to sell Rosh Indiani fashions, but feminists contended that it attributed physical qualities to women, while portraying intellectual ones as male.

The list of controversial advertisements is quite long: The "I love it when they touch me" jeans ad; the public-service television spot that featured bra-less women in tight T-shirts aimed at encouraging grapefruit sales; seductive scenes between a boy and a girl exchanging sweets; posters of women in bathing suits that hint at violence and even lesbianism. Even the animated "Miss Lucy" film advertisement has been alleged to equate women with a piece of meat, ready to be devoured.



Unwanted attention: Advertising executives say suggestive ads, like this for Pilpel bathing suits, create an image. But, as Topper found, not everyone indentifies with it. (Ayalon, IPPA)

Despite mounting protests against such advertising, which led to a series of bus-shelter torchings by ultra-Orthodox protesters last spring, as well as a host of less-publicized spray-paintings by feminists, advertising executives insist that most of the public does not disapprove. Moreover, they contend that advertising is no more risqué than it was several years ago.

Advertising executives maintain that there is nothing wrong with being daring and audacious, trying to make a dent in the public awareness. Indeed many like the controversy surrounding their ads for the extra publicity it generates. Most will add "within the limits of good taste," but good taste is a highly subjective judgment. One executive points out that the "Miss Lucy" campaign, which offended feminists, was conceived by a woman.

Ad executive Ya'acov Franco says the Oberson model's pose did not offend him in the slightest. Indeed, he praises it for having attention-grabbing elements vital for purchasing decision. Moreover, Franco maintains that the Oberson posture is a variation on the posture he introduced with his Ball Jeans advertisement, which showed the backside of a woman in skin-tight jeans, under the slogan "I Love It When They Touch Me."

"And it made a lot of noise, which made people aware of that line of jeans and prevented it from disappearing among all the other products," Franco says.

He concedes that because it offended such a large number of women, the Oberson ad may not have been so good for sales. "In the case of jeans, it's more acceptable to sell sex as well as being intended for both men and women," he says.

In general, Franco explains, an advertisement must arouse interest in the public. Buying decisions are made on an emotional level, so an image must be created for the product with which the public can identify.

This is what Franco says he attempted with Smash bathing suits, made by Gottex. Younger women were put off by the solid, conservative Gottex image and so he formulated a wholly different image for Smash.

Ronnie Ariely, of Ariely Advertising Ltd., maintains that most Israeli advertising is not daring enough, usually because the advertisers themselves are afraid to let the agencies go ahead with more innovative ideas.

"The beautiful thing about advertising is its novelty, its different quality," he says. "My philosophy is not to develop the style of the advertising agency but the style of the client, of the product being advertised. Every company being advertised must have its own character, which is created and formed over the years by advertising. Its character can be pleasant, fatherly, friendly or aggressive. Our ad for Anina cheese, for instance, is not based on a rational approach but on an emotional one."

Nonetheless, Ariely notes that an advertising agent must examine whether the ad will offend a certain part of the market by conducting audience tests before launching a campaign. The slogan "My Body – His Head" may appeal to one part of the market, but may alienate women over 30. Ariely says that his company conducts several tests and surveys to see how the public will accept a given advertisement.

"We checked the public response to the ad for Bank Leumi, which shows a young woman sitting on horseback, for instance, to connote the advantage that a bank account gives you. Before running it, we had to check whether people would think it was nonsense – What does a horse have to do with a bank? But people liked it and smiled in response."

Ad executives maintain that advertising in Israel has not become more blatantly sexual over the past few years. But because advertising on outdoor posters and bus stops has become more prevalent, whatever sexual elements were already there were brought out into the street, where the religious community and other groups saw them daily whether they wanted to or not.

Not surprisingly, ad executives do not always like the response their ads create, even if it wins them added attention.

"I watch with dread the increasing domination of the ultra-Orthodox over the country and their harmful influence on advertising," says David Tamir of Wimmer Tamir Cohen. "They forced El Al to take down a poster of a little boy and girl, fully dressed, who advertised the airline. They said it was obscene."

Wimmer Tamir Cohen has created advertisements of a little girl "seducing" a little boy with sweets and for Milky Capuccino, showing a girl baring her shoulder "like Rita," both of which elicited protests. Nevertheless, Tamir says his agency will continue using women and children when the product requires it.

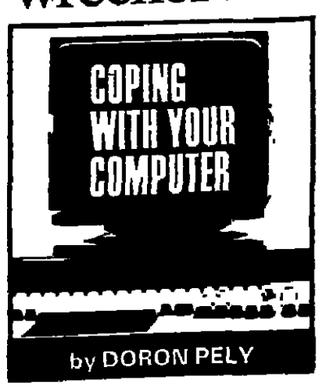
Raphael Malinovitz, who is director of Mimsar Ariely, an Ariely subsidiary that handles Israeli advertisers' needs abroad, says the trend in advertising abroad is to abandon sex as a means to sell.

"To those who say 'but it sells' about female bodies, I say there are much more sophisticated ways of selling than using bare breasts, ways which sell better, too, without insulting people," says Malinovitz.

He admits, however, that his target audience, which consists mainly of customers for his clients' high technology products, is more sophisticated than the general population. "The men in this company find outlets for their chauvinism in all kinds of electronic gadgets but not in advertising. It doesn't suit our kind of advertising," he says.

(Third in a series)

Home wrecker?



THEY LOOK innocuous enough – a keyboard, a plastic box hiding the electronic gadgetry and a small television-like screen, maybe even a printer on the side. But once inside your home, computers can wreck family life.

Harsh as it may sound, the introduction of a home computer into the family can have profound effects on the interaction between husbands and wives, parents and children, and between children and their environment. The time that a family spends together is limited, and there's nothing like an attention-grabbing computer to snatch large chunks of that time.

"Ever since he bought the computer, I have to compete with the machine for his attention and free time," complains the wife of a friend of mine, who asked to remain anonymous. While her husband is engulfed in the thrills of new discoveries, spending hours of his time after work in front of the flickering monitor like a modern-day TV junkie, his wife is becoming increasingly aware of the strains this new toy has introduced into family life.

This addiction is by no means limited to males. But the realities of life in Israel, where housekeeping chores are still delegated, in large part, to the female partner, make computer escapism a largely male activity.

Family members, who find "after dinner" conversation boring, can beat a retreat to the computer corner and disengage themselves completely from routine family interaction. Since it is known in every computer-equipped home that one is not to be disturbed when in the middle of a computer "session," the computer corner can offer a shelter from the daily family problems.

The problem is even more acute with adolescents, who find struggling with the computer, behind the closed doors of their bedroom, an excellent way to escape the bewildering outside world. Sensitive kids gain confidence and solace in solving convoluted problems on their home computer. Parents *should monitor* their children's involvement with the machine to make sure it does not become a substitute for human interaction.

But having a computer at home doesn't have to be all bad news. Many families find it a nucleus of activity, around which both adults and children can play, learn and teach each other new skills.

Problems of time-sharing crop up in homes where there's more than one computer enthusiast but only one computer. Allocating "computer time" doesn't work well; because it's hard to predict ahead of time how long it takes to solve a problem. A healthy amount of patience on everybody's part seems to be the best solution.

WHAT'S ON

JERUSALEM

Museums

ISRAEL MUSEUM. Exhibitions: Jenny Holzer/Barbara Kruger, 2 American artists exploring use of words ◊ Exhibition from Japanese Graphics Collection ◊ Moshe *Gershuni – largest presentation of his paintings* 1980-1986 ◊ Ketef Hinnom – treasure facing Jerusalem's walls ◊ "A Man and His Land," Moshe Dayan Collection ◊ Signals and Wonders – 50 years of Kol Yisrael ◊ Joel Kantor, Photographs of Israel ◊ One Hundred Works on Paper, from Museum's collection (closes 30.8) ◊ Permanent Display of Israel Art ◊ Art in Context, audio-visual programme ◊ News in Antiquities ◊ Nerot Mitzvah, Light in Jewish ritual (closes 30.8) ◊ From the Depths of the Sea (Rockefeller) ◊ Big and Small relative sizes in life, art and children's world ◊ Jewels of Children's Literature ◊ Permanent exhibitions of Archeology, Judaica and Ethnic Art ◊ VISITING HOURS: 10-5. At 11: guided tour of the Museum (English). At 3: Guided tour of Archeology galleries in English.
L.A. MAYER MEMORIAL INSTITUTE FOR ISLAMIC ART. Visiting hours: Sun.-Thurs. 10-1; 3:30-6. Fri. closed. Sat. and holiday eve 10-1. 2 Hapalmach St., Tel. 02-661291/2. Bus No. 15.

Exhibitions

JERUSALEM MAP HOUSE, Old City, 7 Beit El St., 288338, 423547, Roberts, Turner, etc.

Conducted Tours

HADASSAH – Hourly tours of the Chagall Windows at Kiryat Hadassah on the half hour. ★ Information, reservations: 02-416333, 02-446271.
HEBREW UNIVERSITY
1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus. Buses 9, 28, 24 and 16.
2. Mount Scopus tours 11 a.m. from the *Bronfman* Reception Centre, Sherman Building. Buses 9, 28, 4a, 26 and 23 to the first underground stop. Further details: Tel. 02-882819.

Information Centres

UJA INFORMATION CENTRE, 1 Ibn Gabirol St., Rehavia, Jerusalem. Features TV news programmes from the U.S., continual A.P. News teletext, videotapes on UJA (United Jewish Appeal) sponsored programmes in Israel. Open Sunday-Thursday, 3:00-7:00 p.m. For more information call 02-246465, 02-240795.

TEL AVIV

Museums

TEL AVIV MUSEUM. Exhibitions: Israeli Summer, new selection from the Israeli art collection ◊ Edward Munch, prints: Death, Love and Anxiety ◊ Print Into Print, works by six Israeli artists. ◊ Frank Stella – Had Gadya – a series of large prints by Frank Stella, after El Lissitzky's gouaches ◊ Selection from the Museum's Classical Art Collection ◊ VISITING HOURS: Sun.-Thur. 10 a.m.-2 p.m.; 5-9 p.m. Sat. 11 a.m.-2 p.m.; 7-10 p.m. Closed Friday. **Helena Rubinstein Pavilion.** Adolf Loos: Architecture and Design. VISITING HOURS: Sun-Thur. 10 a.m.-1 p.m.; 5-7 p.m. Sat. 11 a.m.-2 p.m. Closed Friday.
BETH HATEFUTSOTH, Klausner St., Ramat Aviv, Tel. 03-425161. Buses No. 13, 24, 25, 27, 45, 49, 74, 79, 274, 572. Permanent Exhibit and Chronosphere – 2500 years of Jewish Life in the Diaspora. ◊ From Carthage to Jerusalem – the Jewish Community of Tunis ◊ Passage Through China – the Jewish Communities of Harbin, Tientsin and Shanghai.
VISITING HOURS: Sun., Mon., Tue., Thur. 10 a.m.-5 p.m.; Wed. 10 a.m.-7 p.m.; Fri. 10 a.m.-2 p.m. Closed Saturday. Guided tours must be prearranged (9 a.m.-1 p.m.).

Conducted Tours

AMIT WOMEN (formerly American Mizrachi Women). Free Morning Tours. – Tel Aviv, Tel. 220187, 233154.
WIZO. To visit our projects call Tel Aviv, 232939; Jerusalem, 226060; Haifa, 88817.
PIONEER WOMEN – NA'AMAT. Morning tours. Tel Aviv, 210791, Jerusalem 244878.

HAIFA

Museums

HAIFA MUSEUM. 26 Shabbtai Levy St. Tel. 04-523255. Exhibitions: **Modern Art** – The Hot and the Cool in Israel Art. **Ancient Art** – Jewish coins of the Second Temple Period, Egyptian textiles, terracotta figurines, Shikmona finds.
Open: Sun.-Thur. and Sat. 10-1; Tues., Thur. and Sat. also 6-9. **Ticket also admits to National Maritime, Prehistoric, and Japanese Museums.**
WHAT'S ON IN HAIFA, dial 04-640840.

GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Har Nof, 81 Shaulson, 532115; Balsam, Salah Eddin, 272315; Shu'afat, Shu'afat Road, 810108; Dar Aldawa, Herod's Gate, 282058.
Tel Aviv: Habima, 17 Dizengoff, 288465; Benny, 174 Dizengoff, 222386.
Netanya: Porat, 76 Petah Tikva, 40967.
Haifa: Yavne, 7 Ibn Sina, 672288.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Hadassah Ein Karem (internal, surgery, orthopedics, E.N.T.), Misgav Ladach (obstetrics), Shaare Zedek (ophthalmology).
Tel Aviv: Rokah (pediatrics, internal, surgery).
Netanya: Laniado
Haifa *512233 Safed 30333
Hatzor 36333 Tel Aviv *240111
Holon 803133 Tiberias *90111
* Mobile Intensive Care Unit (MICU) service in the area, around the clock.

POLICE 100

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 4444.

FIRE 102

In emergencies dial 102. Otherwise, number of your local station is in the front of the phone directory.

FIRST AID 101

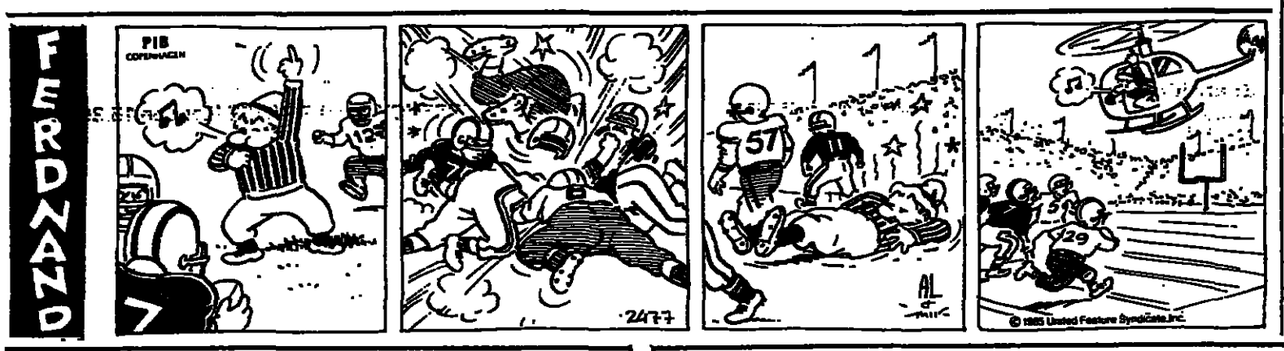
In emergencies dial 101 in most parts of the country. In addition:

Ashdod 41333 Jerusalem *523133
Ashkelon 23333 Kiron 344442
Bat Yam *5511111 Kiryat Shmona *44334
Beersheba 74767 Nahariya *923333
Carmiel *988555 Netanya *23333
Dan Region *781111 Petah Tikva *9231111
Eilat 7233 Rehovot *451333
Hadera 22333 Rishon LeZion 942333

"Eran" – Emotional First Aid, Tel: Jerusalem 227171, Tel Aviv 261111/2, Haifa 672222, Beersheba 418111, Netanya 35316.
Rape Crisis Centre (24 hours), for help call Tel Aviv, 234819, Jerusalem – 245554, and Haifa 382611.
Jerusalem Institute for Drug Problems. Tel. 663828, 663902, 14 Bethlehem Rd.
The National Poison Control Centre at Hadassah Hospital, phone 02-523333 for emergency calls, 24 hours a day, for information in case of poisoning.
Kupat Holim Information Centre Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

FLIGHTS

24-Hours Flight Information Service: Call 03-9712484 (multi-line). Arrivals Only (Taped Message) 03-381111 (20 lines)



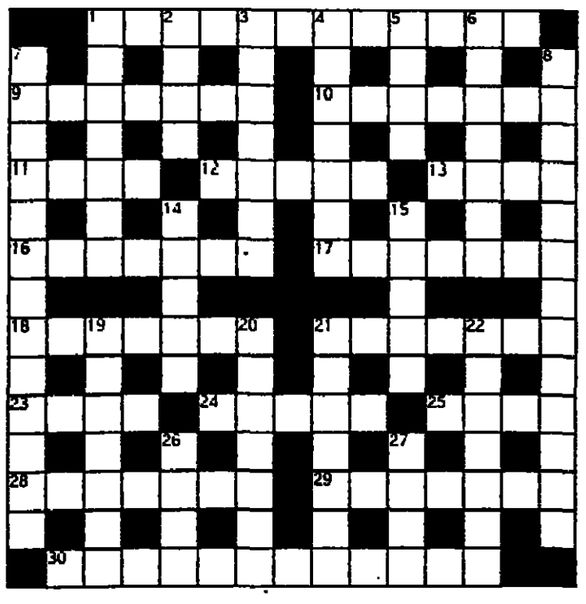
ONE-ON-ONE CROSSWORD

ACROSS

1 & 9 Grahame's bank account? (5,4,2,3,7)
10 Subsequently, a length of one side (7)
11 The crane that has hard lines (4)
12 First lady is retiring? What a fine riddle! (5)
13 Ray's broad smile (4)
16 Man found in foreign regions (7)
17 Deserter, about to say bye-bye, knocks at door (3-1-3)
18 One charging copper in rigged races (7)
21 Regular officer (7)
23 Exclusive walking-on part? (4)
24 Mark of sin at turning in (5)
25 Beat in a round of golf (4)
28 Heroin's processed close to land (7)
29 Mad Hatter's menaces (7)
30 Did such an old champion have a nap? (6-6)

DOWN

1 Impressive announcing (7)
2 Earth good in France for hardwood (4)
3 Fashionable high church feature to stimulate? (7)
4 Surrender scorned in retirement (7)
5 Fame is having first signs of name on the escutcheon (4)
6 Rev's hat adjusted for new crop (7)
7 Skill in running through the opposition? (13)
8 Swirling local mist — I got the answer (13)
14 For this tournament, simply ring in (5)
15 Do penance for when mouse ran down works? (5)
19 Tinkling instrument least used at church (7)
20 Bugle-call in a monastery? (7)
21 For sparkle, give ear to Glazunov's first (7)
22 Having belief, shout about high priest (7)
26 Circle-line convenience takes a penny (4)
27 British equipment is cooler on board (4)



TODAY'S ENTERTAINMENT

RADIO

Voice of Music

6.02 Morning Melodies
7.07 Telemann: Overture
7.30 Enescu: Rumanian Rhapsody No.1; Mozart: violin concerto, K.294 (Menuhin); Beethoven: *Piano Sonata, Op.31, No.2* (Ashkenazy); Tchaikovsky: Ballet Music, "Sleeping Beauty"
9.30 Respighi: The Pines of Rome (Dutoit); DeFalla: "Nights in the Gardens of Spain"; Debussy: Sonata No.2 for Flute, Viola and Harp; Dvorak: String serenade; Glazounov: Saxophone concerto; Chich Corea: "The Return Home"; Stravinsky: Symphony in C (IPO/Bernstein)
12.05 Stefano Grondona, guitar – Bach: Suite; Giuliani-Rossini: Fantasy; Walton: 5 Bagatelles
13.00 Mozart: Symphony No.33 (Konzertgebouw/ Harnancourt); Fuerstenau: Flute Concerto No.8; Mendelssohn: "A Midsummer Night's Dream", Overture; Sibelius: "The Maid in the Tower", Opera *in one act*; Nielsen: Little Suite; Ravel: "La Valse" (Paris/Cluytens)
15.05 Musica Viva
16.00 *Sullivan: Irish Symphony; Krusel:* Introduction and Variations on a Swedish Theme (Thea King); Beethoven: Piano Sonata No.3 (Gilels); Schubert: Swan Song part I (Schreier); Vivaldi: Violin Sonata (Amouyal); Bach: Concerto for flute, Violin and Harpsichord (Nicolet, Hetzel, Richter)
18.30 The Jerusalem Symphony orchestra, youth concert (David Robertson conducting) – works by Honegger, Haydn, Rimsky-Korsakov, Saint-Saens, Grieg and Ducas. Kleinsinger: "Peewee" Piccolo (Duchman, Edelson)
20.05 Devienne: Flute Quartet (Rampal); Rossini: String Sonata No.3
20.30 The Symphony Orchestra of Saarbruecken – Bartok: Viola concerto; J.C. Bach: *Symphony for Double Orchestra;* Mozart: Serenade K.203
22.30 Religious Folk Music from Northwest Argentina
23.00 Continuous Music

First Programme

6.03 Programmes for Olim
7.30 Favourite Old Songs
8.05 Compass – with Benny Handel
9.05 Hebrew songs
9.30 Encounter – live family magazine
10.30 Programme in Easy Hebrew
11.10 Hebrew songs
11.30 Education for all
12.05 Story and Song
13.00 *News in English*
13.30 News in French
14.06 Children's programmes
15.25 Hebrew songs
15.53 Notes on a New Book
16.05 Radio Drama
17.20 Everyman's University
18.06 Jewish Traditions
18.50 Bible Reading
19.05 Reflections on the Portion of the Week
19.30 Programmes for Olim
22.05 Signs and Wonders – the beginning of Hebrew radio (repeat)

Second Programme

6.12 Gymnastics
6.30 Editorial Review
6.53 Green Light – drivers' corner
7.00 This Morning – *news magazine*
8.05 Puss in Sandals – children's *programme*
9.05 House Call – with Rivka Michaeli
10.05 All Shades of the Network – morning magazine
12.10 Open Line – news and music
13.00 Midday – news commentary, music
14.06 Matters of Interest – with Gabi Gazit
15.05 Magic Moments
16.05 Made in Israel – Hebrew song requests
17.10 Economics Magazine
18.06 New Hebrew Words (repeat)
18.30 Hebrew songs
19.05 Today – radio newsreel
19.35 Law and Justice Magazine
20.05 Cantorial Hit Parade
22.05 Jazz Corner
23.05 Treasure Hunt

Army

6.05 Morning Sounds
6.30 Open Your Eyes – songs, information
7.07 "707" – *with Alex Ansky*
8.05 Good Morning Israel
9.05 In the Morning – with Efi Yisraeli
10.05 Coffee Break
11.05 Right Now – with Rafi Reshef
13.05 Daily Hit Parade
15.05 Siesta – with Dori Ben Za'ev
16.05 Four in the Afternoon
17.00 Evening Newsreel
18.05 Interview with Aluf Amir Drori
19.05 Songs
20.05 Music – blues
21.00 Mabat – TV Newsreel
21.30 Songs
22.05 Popular songs
23.05 Night, Night – with Yoav Kutner
00.05 Night Birds – songs, chat with Gilat Moav



TELEVISION

EDUCATIONAL:
9.00 Teletext **9.05** Keep Fit **9.15** Zippitput **9.40** Don Quixote, Man of La Mancha (parts 23 and 24) **10.30** The Newspaper Lads **10.55** Duke Ellington's Religious Music (part 1) **14.00** Teletext **14.05** Keep Fit **14.15** 100 Famous Paintings **14.25** Making Magic **14.50** Cartoons **15.00** Pretty Butterfly **15.25** Beau Geste (part 3) **16.00** This Is It – live magazine **17.00** A New Evening – live magazine
CHILDREN'S PROGRAMMES:
17.30 *Alice In Wonderland.* Animated serial based on the book by Lewis Carroll
18.00 Shmil the Cat's Club
ARABIC-LANGUAGE programmes:
18.30 News roundup
18.32 Programme Trailer
18.35 Sports
19.30 News
HEBREW PROGRAMMES resume at **20.00** with a news roundup
20.02 Goodbye Mr. Chips. Part 2 of a 3-part serial based on the book by James Hilton starring Roy Marsden
21.00 Mabat Newsreel
21.30 Yes, Prime Minister. BBC comedy series starring Paul Eddington, Nigel Hawthorne and Derek Fowles: The Grand Design
22.00 This Is the Time
22.50 Dempsey and Makepeace: Silver Dollar
23.40 News
JORDAN TV (unofficial):
17.30 Cartoons **18.00** French Hour **19.30** News in Hebrew **20.00** News in Arabic **20.30** Growing Pains **21.10** Moonlighting **22.00** News in English **22.20** Crown Court
MIDDLE EAST TV (from T.A north):
13.30 Woody Woodpecker **14.00** 700 Club **14.30** Shape-Up **15.00** Afternoon Movie: Mighty Joe Young **16.30** Spiderman **17.00** Super Book **17.30** Muppets **18.00** Happy Days **18.30** Laverne & Shirley **19.00** News **20.00** Magnum P.I. **21.00** Movie: Love, Mary **23.00** 700 Club

CINEMA

JERUSALEM 4:30, 7:30, 9:30
Eden: Funny Farm; **Edison:** Teen Wolf; Nils Holgerson 11 a.m.; **Hebira:** Ricochets 4:30, 7:15, 9:30; **Kfir:** Money Pit 7:30, 9:30; Lady Hawke 11:30 a.m., 4:30; **Mitchell:** Short Circuit; **Orgil:** Down and Out in Beverly Hills 5, 7:15, 9:30; *Care Bears* 10:30 a.m., 12:30; **Orion Or 1:** The Color Purple 3, 6, 8:50; Romancing the Stone I, 10:30 a.m.; **Orion Or 3:** Karate Kid II 10:30, 4:30, 7, 9:30; **Orna:** Police Academy III; **Ron:** Miracles; **Semadar:** Prizzi's Honor 7, 9:15; **Binyenei Ha'uma:** Out of Africa 6:15, 9; **Beit Agron:** Wizard of Oz 4; Dune 5:45; Subway 8; Bachelor Party 10; The Rocky Horror Picture Show, midnight; **Cinematheque:** The Emerald Forest 7; Pourquoi Israel 7; Wise Blood 9:30; I Soliti Ignoti 10:15
TEL AVIV 5, 7:30, 9:30
Allenby: Gone with the Wind 4:30, 8:15; **Bat Leisin:** Lost in America, 11:15 p.m.; **Ben-Yehuda:** Funny Farm; **Chen 1:** Down and Out in Beverly Hills 3:30, 5:40, 7:50, 10; Care Bears 11, 2:30, 4:30; **Chen 2:** After Hours 5:50, 7:45, 9:50; Care Bears 4:25; Black Cauldron 11, 2:20; **Chen 3:** Police Academy III, 5:55, 7:50, 9:50; Karate Kid II 11, 2:10, 4:05; **Chen 4:** Spies Like Us 6, 7:55, 10; Black Cauldron 4:20; Journey of Natty Gann 11, 2:15, 4:10; **Chen 5:** European Vacation 5:50, 7:50, 9:50; Dumbo 11, 2:30, 4:30; **Cinema One:** Cobra; **Cinema Two:** Secret Admirer; **Dekel:** Miracles; **Dizengoff I:** Kiss of the Spider Woman 11, 1:30, 4:45, 7:20, 9:45; **Dizengoff II:** 3 Hommes et un Couffin 11, 1:30, 4:45, 7:20, 9:45; **Dizengoff III:** Teen Wolf 11, 1:30, 4:45, 7:20, 9:45; **Drive-In:** Runaway 10 p.m.; House Committee Rivalry 8 p.m.; Sex film 12 midnight; **Esther:** The Hitcher 5, 7:30, 9:40; **Gat:** The Color Purple 3:15, 6:15, 9:15; **Gordon:** Bar 51 5, 7:45, 9:45; **Hod:** Money Pit; **Lev I:** Creator 11:30, 2, 5, 7:40, 9:40; **Lev II:** Lovesick Alex 11:30, 2, 5, 7:40, 9:40; **Lev III:** Turtle Diary 11:30, 2, 5, 7:40, 9:40; **Lev IV:** Mishima 9:30 p.m.; Wild Cats 11:30, 2, 5, 7:40; **Limor Hamehudash:** Just Between Friends; **Maxim:** 9½ Weeks 7:15, 9:30; Nils Holgerson 11, 5; **Mograbi:** Closed for renovations; **Oriy:** Runaway Train 5, 7:15, 9:30; **Peer:** Ricochets; **Shahaf:** Out of Africa 5:45, 9:15; **Studio:** Closed for renovations; **Tchelet:** Agnes of God 4:30, 7:15, 9:30; **Tel Aviv:** Short Circuit 5, 7:15, 9:30; **Tel Aviv Museum:** Shoah. For screenings see magazine ad; **Zafon:** 3 Hommes et un Couffin 5, 7:30, 9:45; **Paris:** La Colmena 12, 2, 4, 7, 9:30; **Tamuz:** The Gods Must Be Crazy 5, 7:15, 9:30; Taxi Driver 11:45 p.m.
HAIFA 4:30, 7, 9:15
Amphitheatre: Ninja Terminator; **Armon:** The Hitcher; **Atzmon:** Youngblood; **Chen:** Karate Kid II; **Orah:** 3 Hommes et un Couffin; **Oriy:** Police Academy III 7, 9:15; Care Bear 11, 4:30; **Peer:** Down and Out in Beverly Hills; **Ron:** The Great Madness 4:30, 7, 9; **Shavit:** Love on the Volga 7, 9:15; **Rav-Gat 1:** The Color Purple 6, 9; Alice in Wonderland 11, 4:30; **Rav-Gat 2:** After Hours, 7, 9:15; Mary Poppins 11, 4:30; **Keren Or Hamehudash:** A Nos Amours
RAMAT GAN
Armon: Down and Out in Beverly Hills 5, 7:30, 9:45; **Lily:** Short Circuit 5, 7:15, 9:30; **Oasis:** The Color Purple 6, 9; **Ordea:** House Committee Rivalry 4:30, 7:15, 9:30; **Ramat Gan:** Closed for renovations; **Rav-Gan 1:** After Hours 7:30, 9:50; Dumbo 11, 3, 5:10; **Rav-Gan 2:** European Vacation 7:30, 9:50; Care Bears 11, 3, 5; **Rav-Gan 3:** Agnes of God 7:30, 9:50; Karate Kid II 11, 3, 5:10; **Rav-Gan 4:** Police Academy III 7:30, 9:50; Black Cauldron 11, 3, 5:15
HERZLIYA
David: Youngblood 5, 7:15, 9:30; Baby 11 a.m.; **Daniel Hotel Auditorium:** Creator, Sun., Mon., Tue., Thur. 7:15, 9:30; **Hechal:** Funny Farm 5, 7:30, 9:30; **New Tiferet:** Police Academy III, 4:30, 7:30, 9:30;
HOLON
Migdal: Down and Out in Beverly Hills 7:30, 9:40; **Savoy:** Funny Farm 5, 7:30, 9:30; **Armon Hamehudash:** Karate Kid II 5, 7:15, 9:30.
BAT YAM
Atzmaut: Funny Farm 5, 7:30, 9:30
GIVATAYIM
Hadar: Funny Farm 5, 7:30, 9:30
RAMAT HASHARON
Kochav: Little Prince, Mon., Tue., Wed., Thur. 11 a.m.; No Milk Today 4.30, 7: Top Secret 9:30
PETAH TIKVA
G.G. Hechal 1: Police Academy II 5, 7:30, 9:30; 11; **G.G. Hechal 2:** Funny Farm 5, 7:30, 9:30; **G.G. Hechal 3:** Money Pit 5, 7:30, 9:30

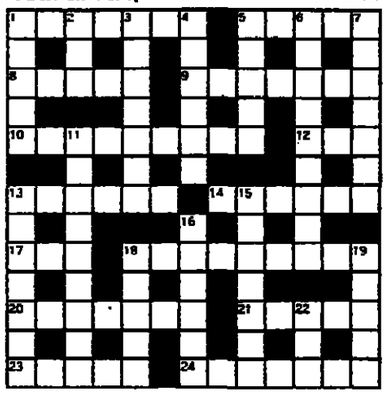
QUICK CROSSWORD

ACROSS

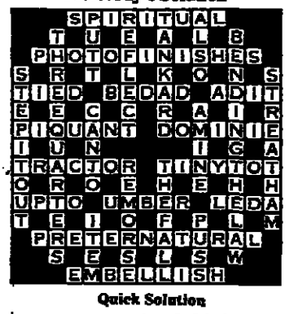
1 Derivative of opium
5 French impressionist painter
8 Light beer
9 Exclusive social circle
10 Food
12 Age
13 Great poverty
14 Place where bees are kept
17 Part of curved line
18 Plant with aromatic seeds
20 Lozenge-shaped object
21 Opera by Puccini
23 Composition
24 Precis

DOWN

1 Fruit
2 Floor covering
3 Cross-country runner
4 Bowman
5 Choral composition
6 Nanny
7 Treatment of illness
11 Holding firmly
13 Grassy plain
15 Spectre
16 Crucial stage
18 Taxi-driver
19 Prepared
22 Mineral spring



Yesterday's Solution



Quick Solution

ACROSS: 7 Bright, 8 Wether, 10 Adamant, 11 Terse, 12 Aura, 13 Queer, 17 Plate, 18 Pomp, 22 Plump, 23 Realise, 24 Lancer, 25 Remiss. **DOWN:** 1 Abraham, 2 Rivalry, 3 Shoal, 4 Settler, 5 Shire, 6 Creed, 9 Structure, 14 Slipper, 15 Politic, 16 Appease, 19 Apply, 20 Burns, 21 Cater.

MARKET PLACE

VICTOR KEEGAN

Waiting for the dog to bark

Earlier in the year the collapse of oil prices led most forecasters to predict that this would lead to a revival of the economies of the industrialized world which would benefit from a transfer of income from oil producing countries.

At the end of May, the Paris-based Organization for Economic Co-operation and Development revised its forecast of growth for its 24 member countries from 2.75 per cent to 3 per cent. This was because falling oil prices, lower interest rates and a declining dollar were expected to give a boost. Now it looks as though growth will be well below the lower figure.

If you annualize the experience of the most recent three months then yesterday's high-flying economies (Japan, West Germany and Australia) have all recorded negative economic growth and the U.S. can only manage an annual rate of 1.1 per cent. Only Taiwan and Sweden seem to be scoring highly still.

Why have falling prices for oil (and other commodities) failed to revitalize industrialized economies? It is partly a question of timing. Falling oil prices force producing countries to reduce their spending on imports pretty quickly, thereby deflating the world economy.

But it also goes deeper than this. Banks and other financial institutions become increasingly reluctant to lend to countries which build up large debts. They have been so reluctant to lend to Third World countries that there is now a net flow of funds (interest and capital repayments) from the poorer countries.

This has made banks reluctant to lend to them as well. With an increasing number of economies designated "poor risks" the banking system is no longer lubricating world recovery in the way that it used to. Indeed it is in danger of contributing to a self-perpetuating 1920s-style spiral of deflation.

Some of the symptoms are already there. Inflation is slowing down quite sharply all over the world. In Britain – traditionally one of the countries with high inflation – the annual rise in consumer prices is down to 2.5 per cent. The U.S., Japan, Switzerland, France and the Netherlands are well below that level. And in West Germany consumer prices have actually gone down (by 0.2 per cent) over the past 12 months.

If you look at the recent trend of wholesale prices the trend is even more dramatic. In almost every major country (except Britain) the annualized change in wholesale prices in the most recent three months has been negative. The falls include –16 per cent in Japan, –11 per cent in Belgium, –6 per cent in West Germany and –2 per cent in France.

Since the trend in wholesale prices is a good advance indication of retail inflation this strongly suggests that the annual rise in consumer prices in most of these countries will soon be negative.

It is at times like this – when interest rates are high and inflation low (and still falling) that people find it much more rewarding to invest in financial assets like bonds rather than "real" assets like houses, equipment and property. This is because bonds offer high real interest rates with the prospect of capital gains as interest rates fall.

But a rush into financial assets could be bad news for the "real" economy. If people and companies do not invest in houses and capital equipment then the deflationary forces in the world economy already referred to will become that much more serious.

The major nations of the world will have to watch events very closely to make sure that inertia does not suck them all into a deflationary situation. If Holmes's dog does not start barking soon, then the appeals of Paul Volcker, chairman of the U.S. Federal Reserve Board, for co-ordinated world expansion may be seen in a different light.

(London Observer Service)

Histadrut approves wage agreements

By ROY ISAACOWITZ
Post Labour Reporter

TEL AVIV. – The Histadrut Executive yesterday approved the proposed wage agreements in the private and public sectors, despite strong opposition from the opposition parties and several members of the Labour party-Mapam Alignment.

The agreements are likely to be signed by the end of this week, pending the resolution of a few outstanding problems. The executive did not vote on the agreements yesterday but simply "noted" the contents of the addresses by Secretary-General Yisrael Kessar and Trade Union Department Chairman Haim Haberfeld.

The agreements were strongly attacked by Likud caucus leader MK Ya'acov Shamai and Citizens Rights Movement caucus leader MK Ran Cohen as a sell-out of the workers. They were similarly attacked on Friday, during an extraordinary meeting of the central committee, by senior committee members Aliza Tamir and Raya Rattig.

Cohen blasted the Histadrut leadership for being prepared to sign new, non-retroactive agreements five months after the previous accords expired. "In effect that means a 40 per cent erosion of whatever increases are achieved," he said.

Concerning the minimum-wage agreement in the private sector, Cohen condemned the leadership's willingness to accept an agreement in shekel, and not percentage, terms, as it had originally demanded.

The agreement, which will raise the minimum wage to NIS 450 by the end of March next year, will not mean a real increase much beyond its present level of NIS 334, when inflation and other factors are taken into account, Cohen contended.

The agreements will last for one year. Kessar said yesterday, in reply to the criticism, that "all options will be open after March next year." Attached to the agreements will be an annex containing a government commitment to retain a stable exchange rate, retain price controls and extend the economic stability law for a further three months beyond December.



Manufacturers Association President Dov Lantman (centre) gets a first-hand view of how sneakers are assembled at the Gali Shoe Manufacturing Ltd. plant in Petah Tikva yesterday. With him are Gali General Manager Gavriel Oron (right) and Arnon Tobaerg, Manufacturers Association director-general. (Yonathan Saltiger)

BUSINESS BRIEFS

Paper Mills posts 115% rise in net for last quarter

American-Israeli Paper Mills Ltd. said net profit for the quarter ended June 30 soared 115 per cent from a year earlier to $2.25 million, while sales jumped 24 per cent to $33.45m.

Per share earnings for the April-June period grew to 68 cents a share from 47 cents a share in second-quarter 1985.

For the first half, the company said net grew 16.8 per cent to $4.3m., or $1.30 a share, from $3.7m., of $1.12 a share. Sales in the period increased 25.8 per cent to $66.65m.

The Paper Mills attributed world market conditions and sales efforts by the company for substantially increased exports in the first six months of the year of approximately $2.2m. Exports in January-June 1985 came to $800,000.

SUPPLEMENTARY MORTGAGES of up to NIS 18,000 will now be available, up from a ceiling of NIS 11,000, the Bank of Israel said Friday.

The central bank said the upward revision in the ceiling was made to offset the erosion in the value of supplementary mortgages in recent years. From 1979 to 1982, the ceiling stood at the equivalent of $30,000.

HEVRAT HA'OVDIM, the Histadrut holding company, yesterday named a 35-member board of directors.

The new board includes the presidents of various Histadrut companies, such as Benny Gaon, head of Co-op Supermarkets; Histadrut stalwarts who failed to get elected to the central committee, such as Yoram Overkovich; and Labour Party political appointees, such as Ra'anan Cohen.

The other 32 members are:

Amiram Sivan, Yeshayahu Gavish, Alfred Gotz, Eitad Shilo, Yitzhak Landesman, Amos Aran, Yohanan Daniel, Yisrael Fritkin, Oded Winter, Moshe Olnick, Yosef Horowitz, Teddy Kaufman, Ephraim Shtender, Hannah Hadad, Uri Amit, Tzvia Bar-Tzion, Ya'aciv Shalom, Yitzhak Hazaza, Yossi Cohen, Gad Peshni, Yehuda Ben-Harush, Moshe Wertman, Ora Gez, Yitzhak Ben-Lavav, Gershon Vilkes, Shlomo Eisner, Yosef Ben-Bassat, Mahmud Younis, Raya Rattig, Eliezer Rones and Yisrael Kessar.

CURRENCY MARKETS

Correction is due for oversold dollar

The U.S. dollar closed last week marginally weaker against most currencies. The speed of the dollar's decline slowed down and it was trading within narrow trading ranges. Most market operators were speculating that the U.S., West Germany and Japan would jointly cut rates soon. The pound sterling improved through the week, gaining 1.3 per cent, although sentiment remained bearish due to scepticism as to whether Opec's latest accord would help stabilize oil prices.

The dollar posted gains against the Canadian currency as the implications of Canadian economic data crept into the market. Canadian unemployment rose to 9.9 per cent last week, bringing selling pressure on the currency. Friday's 0.1 per cent decline in U.S. industrial output and 0.4 per cent fall in the producer price index were within expectations and had limited impact.

With no major economic data, activity in the market was largely chart-related. The dollar still appears to be oversold and a correction in its rate is overdue. The Swiss franc and Deutschmark are likely to give back some of their gains, but the pound and yen can be expected to remain relatively stable. It is thus very risky to attempt to either buy or sell the dollar at current levels.

The column appears courtesy of Boaz Barak Advisory Service.

Congressional panel approves tax overhaul bill

WASHINGTON (Reuter). – Congressional negotiators Saturday approved the most sweeping revision of the U.S. income tax system in a generation, which could cut personal taxes and make business pay more.

On a voice vote, the Tax Conference Committee sent the compromise tax plan to the full House of Representatives and Senate for a final vote in early September.

Under the compromise, business would pay $120.7 billion more in taxes through 1991, while individuals would see their taxes fall by about the same amount. The average individual tax cut would be 6.1 per cent in 1988.

It cuts the present 14 individual tax rates ranging from 11 to 50 per cent to just two rates of 15 and 28 per cent. It reduces the corporate tax rate to 34 per cent from 56 per cent.

The 15 per cent rate will apply on incomes up to $29,750 a year and the 28 per cent rate on incomes up to $71,900, after which a 5 per cent surcharge will be levied.

British Air to buy up to 28 Boeings

SEATTLE (Reuter). – British Airways and Boeing have made what may become the biggest deal in commercial aviation history with a $4.1 billion order for as many as 28 long-range Boeing 747-400 jetliners.

The state-owned carrier's order for 16 aircraft announced Friday, has a price tag of $2.3b., to make it the biggest order ever. Options for 12 additional aircraft would have to be exercised.

British Airways specified the jetliners be equipped with British-made Rolls-Royce engines. Delivery of the airplanes will be made in 1989 and 1990, with those ordered as options delivered in 1991 through 1994. The 747-400 model – with a range of 12,875 kilometres, unmatched by any other commercial airliner – has proved to be popular, with 58 firm orders.

Price of industrial fuels is cut

The price of fuel products was cut by between 4.5 and 16.2 per cent as of midnight last night.

Energy Minister Moshe Shahal said the reductions were made as part of the government's continuing policy to adjust energy prices to world market levels on a month-to-month basis. He said the ministry's goal was to make energy prices for industry, particularly exporters, competitive with those in Western Europe.

But the ministry's director-general, Nathan Arad, warned that the upswing in energy prices worldwide in the past two weeks might later bring with it an increase in energy prices in Israel.

The price of naphtha for the local market was cut 16.2 per cent, while heavy industrial and light industrial oil for industrial use were cut 8 per cent and 4.5 per cent, respectively.

FINANCIAL DATA: ISRAEL, EUROPE, U.S.

ISRAEL MONEY MARKETS

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

	Last Updated	Tapas	Pakam 7-Day	Pakam 30-Day
LEUMI	15.8	7-17%	8-17 %	8-18.50%
HAPOALIM	7.7	8-14%	8-14%	9-16.50%
DISCOUNT	12.8	8-15.50%	8-16%	10-19%
MIZRAHI	8.5	8-16%	6-15%	6-17%
FIRST INT'L	23.7	6-15%	7-17%	8-17%

Rates vary according to size of deposit.
(Tapas: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (August 15)

MINIMUM DEP	3–MONTHS	6–MONTHS	12–MONTHS
USD ($100,000)	5.625	5.625	5.750
STG (10,000 pounds)	8.750	8.875	8.875
DMK (100,000 marks)	3.875	3.875	3.875
SFR (50,000 francs)	3.750	3.750	3.750
YEN (3,000,000 yen)	3.250	3.125	3.125

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES (August 15)

		CHEQUES AND TRANSFERS		BANKNOTES		Rep Rates
		Buy	Sell	Buy	Sell	
Basket of currencies	1	1.4880	1.5070	—	—	1.4973
U.S.A. Dollar	1	1.4842	1.5028	1.46	1.53	1.4931
Deutschmark	1	0.7177	0.7267	0.71	0.74	0.7224
Pound Sterling	1	2.2204	2.2982	2.18	2.28	2.2344
French Franc	1	0.2209	0.2236	0.21	0.23	0.2222
Japanese Yen	100	0.9628	0.9749	1.00	1.01	0.9684
Dutch Florin	1	0.6370	0.6450	0.63	0.66	0.6410
Swiss Franc	1	0.8919	0.9031	0.88	0.92	0.8966
Swedish Krone	1	0.2142	0.2169	0.21	0.22	0.2155
Norwegian Krone	1	0.2017	0.2012	0.20	0.21	0.2029
Danish Krone	1	0.1908	0.1932	0.19	0.20	0.1920
Finnish Mark	1	0.3011	0.3048	0.30	0.31	0.3032
Canadian Dollar	1	1.0678	1.0812	1.05	1.10	1.0740
Austrian Dollar	1	0.9281	0.9577	0.97	0.96	0.9322
S. African Rand	1	0.5736	0.5808	—	—	0.5789
Belgian Franc	10	0.3436	0.3479	0.30	0.40	0.3491
Australian Dollar	10	1.0215	1.0343	1.00	1.10	1.0265
Italian Lira	1000	1.6426	1.0657	1.02	1.08	1.0496
Jordanian Dinar	1	—	—	4.17	4.43	4.2703
Egyptian Pound	1	—	—	0.79	0.84	0.8212
ECU	1	1.5139	1.5329	—	—	0.4973

SUPPLIED BY **BANK LEUMI**

EUROPEAN FINANCIAL MARKETS

(August 15)
PRECIOUS METALS

GOLD:	LONDON	A.M. FIX	386.40	P.M. FIX	385.10
	PARIS	NOON FIX	NA	ZURICH P.M.	385.25
SILVER:	LONDON	FIX	534.00		
PLATINUM:	LONDON	P.M.	543.00		
PALLADIUM:	LONDON	P.M.	135.00		

FOREIGN CURRENCY CROSS RATES (London 15.30GMT)
Forward Rates

	SPOT	2 MTHS	3 MTHS	6 MTHS
DEUTSCHMARK	2.0610/25	52/57	90/85	172/162
POUND STERLING	1.4945/55	89/87	130/127	248/243
SWISS FRANC	1.6610/25	58/53	80/75	155/145
JAPANESE YEN	154.00/10	36/34	58/56	118/311
FRENCH FRANC	6.7090/15	30/45	45/65	90/120
ITALIAN LIRA	1423.75/25	1145/1220	1675/1775	3300/3450
DUTCH GULDEN	2.3225/35	28/24	47/43	99/92
BELGIAN FRANC	42.635/650	7/9	11/14	21/26
DANISH KRONE	7.7365/15	325/375	500/550	950/1050
S.AFRICAN RAND	0.3835/45	22/15	30/23	48/38
EUROPEAN CURR. UNIT	1.0232/36	18.5/15.5	26/22	50/45
FINNISH MARK	4.9325/45	600/900	700/1100	1400/2000
AUSTRALIAN DOLLAR	0.6080/87	86/83	123/118	213/207
NORWEGIAN KRONE	7.3425/75	1005/1025	1500/1520	3010/3050

Formula for determining forward rates:
high/low (eg. 220/210) — deduct from spot price.
low/high (eg. 210/220) — add to spot price.

NEW YORK FINANCIAL MARKETS

(August 15)
U.S. MONEY RATES

Prime rate 8.00%; Broker Loan 7.25%; NY Euros 3 months 6 3/16%– 1/16%; Fed Funds late 6 1/2%

NEW YORK FOREIGN EXCHANGE

	DMK	SFR	STG	YEN	CAN
PREVIOUS CLOSING	2.0535/45	1.6545/60	1.4955/65	153.45/55	1.3877/82
OPENING	2.0605/15	1.6800/10	1.4970/80	153.70/80	1.3891/96
LATEST	2.0600/10	1.6800/15	1.4955/65	153.70/80	1.3913/18

Comment

The dollar closed marginal higher Friday in lacklustre trading. Uncertainty persisted over the chances of a U.S. discount rate cut in the near future after a Fed spokesman said the U.S. and West Germany had made no agreements for coordinated cuts. An 0.1 per cent decline in U.S. industrial output and a 0.4 per cent fall in the producer price index were within expectations and had limited impact.

ISRAELI STOCKS

TRADED IN NEW YORK:

NYSE and ASE

	Last	Prev. Close	High	Low	Vol ('00s)
Alliance	—	2 1/8	—	—	—
Am Isr Pap	12 3/8	12 3/8	12 3/8	12 3/8	72
Ampal	2 3/8	2 1/4	2 3/8	2 3/8	10
Elscint	1 3/4	1 3/4	1 7/8	1 3/4	81
Etz Lavud	9 1/4	9 1/4	9 3/8	9 1/4	3
Laser Inds	12 1/8	12 1/2	13 1/8	12 3/4	91

Over the counter

	last	bid	ask		last	bid	ask
Bank Leumi	—	21	23	Interpharm	—	4 1/2	5
Elbit	7 1/2	7 1/2	7 3/4	Optrotech	5 1/2	5 1/2	5 7/8
ECI Tel.	2 3/4	2 1/2	2 3/4	Rada	—	6 3/8	6 3/4
Elron	5 7/8	5 3/4	6	Scitex	4 1/2	4 1/4	4 1/2
Fibronics	5 1/8	5 1/8	5 1/4	Taro-vit	—	3 1/4	3 1/2
IDB Bank	—	48	52	Tevapharm	—	4	4 1/4
IIS	3 1/8	3 1/8	3 1/2	SPI	—	2 1/2	3

WALL STREET Closing Prices (August 15)

Dow Jones Indices

			NYSE Highest Volume		
IND	1,855.60	+10.69	NIAG MOHWK	24	+ 1/8
TRANS	756.00	+ 2.00	WESTN AIR	11	+1
UTILS	211.24	+ 1.20	REVCO D.S.	36 3/4	+1 1/8
65 STKS	718.42	+ 3.54	ICN PHARM	30 3/4	+6 1/2
NYSE COMP	142.22	+ 0.43	EXXON	65 1/4	+1 1/8
NASD COMP	380.18	+ 0.66	MOBIL	35 1/4	+1
S-P 100 INDEX	231.57	+ 0.18	PANHAND PI	42 3/4	+ 3/4
S-P COMPOSITE	247.15	+ 0.90	US X CP	18 1/4	+2
AMEX INDEX	271.40	+ 0.18	LTV COPR	2 1/2	– 1/8
			MID-SO UTL	13 3/4	unch

Statistics

NYSE VOL. 123,490,000 STOCKS UP 880 DOWN 679
NASDAQ VOL. 98,767,500 (Aug. 15) STOCKS UP 1207 DOWN 886

Comment

Wall Street stocks moved higher for the fifth consecutive day Friday as oil stocks and airlines aided the overall averages. Concern about price volatility surrounding expirations of stock options and index futures options kept investors cautious for much of the day, analysts said.

The Dow Jones Industrial Average rose 10 points to 1855 on volume of 124 million shares. Advances led declines nine-seven.

Niagara Mohawk led actives up 1/8 to 24. The stock's ex-dividend date is set for today.

OVERSEAS FINANCIAL DATA PROVIDED BY REUTERS MONITOR

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	113.11+1.06%
Non-Bank Index	140.45+2.40%
Arrangement	101.25+0.27%
Insurance	155.59+1.07%
Commerce, Services	166.82+3.13%
Real Estate	175.77+2.23%
Industrials	128.38+2.65%
Textiles	159.55 +5.10
Metals	124.80+3.00%
Electronics	93.92+0.38%
Chemicals	134.90+2.98%
Industrial Invst.	118.27+4.60%
Investment Cos.	136.27 +2.13
General Bond Index	107.87–1.26%
Index-linked Bonds	109.42–1.20%
Fully-linked	110.96–1.58%
Partially-linked	108.47–0.83%
Dollar-linked Bonds	93.23–1.22%
Short-term 0-2 yrs	107.58–0.76%
Medium-term 2-5 yrs	107.60–1.02%
Long-term 5+ yrs	102.00–1.97%

Turnovers:

Shares – total	NIS 9,100,700
Arrangement	NIS 1,977,99
Non-bank	NIS 7,122,800
Bonds – total	NIS10,750,400
Index-linked	NIS 8,565,000
Dollar-linked	NIS 2,185,400
Treasury Bills	NIS 3,180,800

Share Movements:

Advances	269	(148)
of which 5%+	74	(112)
"buyers only"	8	(2)
Declines	28	(100)
of which 5%+	5	(12)
"sellers only"	0	(1)
Unchanged	72	(129)
Trading Halt	48	(41)

Bond Market Trends:

Index-linked	
3% fully-linked	Falls to 3%
4.25% fully-linked	Falls to 3%
80% linked	Falls to 1.5%
Double-linked	Falls to 3%
Dollar-linked:	
Admon	Falls to 3%
Rimon	Falls to 6%
Gilboa	Falls to 6%
For. Curr. denominated	Mixed to 1%
Treasury Bills (annual yield)	18.5-19.3%

Arrangement yields:

IDB ord.	16.61%
Union 0.1	16.43%
Discount A	16.70%
Mizrahi r.	16.49%
Hapoalim r.	16.57%
General A	16.55%
Leumi stock	16.50%
Fin. Trade 1	14.53%

SELECTED PRICE QUOTATIONS

Name	Price	Volume '000NIS	% change
Commercial Banks (not part of "arrangement")			
Maritime 1	1030	781	+2.8
General non-arr.	24450	95	+1.0
First Int'l	3715	4428	+2.5
FIBI	4290	3949	+4.3
Commercial Banks (part of "arrangement")			
IDBr	77050	583	+0.6
Union 0.1	57520	200	+0.5
Discount	98150	72	+0.3
Mizrahi	31780	579	+0.7
Hapoalim r	52380	1024	+0.2
General A	133900	35	–
Leumi 0.1	33330	1137	–
Fin. Trade	45900	5	+0.6
Mortgage Banks			
Leumi Mort. r	5260	410	+4.3
Dev. Mort.	1835	4048	+9.6
Mishkan r	2245	729	+4.5
Tefahot r	13850	130	+2.6
Merav r	5200	127	+1.8
Financial Institutions			
Agric C	no trading		
Ind. Dev. DD	no trading		
Clal Leasing 0.1	13400	150	+5.7
Insurance			
Ararat 0.1 r	887	829	+5.0
Hassneh r	484	12523	+3.2
Phoenix 0.1	710	1200	–
Hamishmar	6300	–	–1.6
Menorah 1	2320	226	–3.2
Sahar r	4170	129	+3.8
Zion Hold. 1	8200	79	–2.4
Trade & Services			
Meir Ezra	4600	–	–
Supersol 2	5660	2097	+4.4
Delek r	3265	5481	+6.7
Lighterage	15700	81	–1.9
Cold Storage	2082	492	–0.9
Dan Hotels	3550	193	+4.4
Yarden Hotel	3150	38	+1.3
Hilon 1	14000	25	+1.1
Team 1	1800	120	–
Real Estate, Building and Agriculture			
Azorim	588	14828	+4.0
Elion	482	7732	+3.7
Africa Isr. 0.1	no trading		
Dankner	3903	10	–
Prop. & Bldg.	2820	2412	+3.3
Bayside 0.1	4560	189	–
ILDC r	53600	293	+2.3
Rasco r	9600	167	–
Mehadrin	6800	230	+1.8
Hadarim	1101	2431	+1.0
Industrials			
Dubek b	3540	975	+3.2
Pri-Ze 1	1710	1008	+3.0
Sunfrost	8320	68	+4.0
Elite	14000	118	–
Adgar	844	869	+3.1
Argaman r	12910	15	+4.3
Delta G 1	4330	1390	+4.1
Maquette 1	23125	54	–
Eagle 1	11295	10	+5.1
Polgat	3360	1270	+0.5
Schoellerina	11650	53	+4.0
Rogosin	3087	769	+2.7
Urdan 0.1 r	9700	56	+1.0
Is. Can Co. 1	1472	b.o. 1	+5.0
Zion Cables	2665	990	+5.1
Pecker Steel	7470	1098	–
Elbit	no trading		
Elron	296000	3	–1.3
Arit	26980	114	+1.4
Clal Electronics	no trading		
Spectronix 1	2100	1168	–
T.A.T. 1	3761	252	+1.6
Ackerstein 1	1719	788	+4.5
Agan 5	18280	106	–
Alliance	no trading		
Dexter	3280	115	+1.0
Fertilisers	5540	50	+4.9
Haifa Chem.	550	16165	+2.8
Teva r	56900	375	+3.6
Dead Sea r	16550	2824	+2.8
Petrochem.	607	24822	+6.9
Neca Chem.	3300	147	+3.1
Frutarom	13500	241	+1.5
Hadera Paper	no trading		
Central Trade	6920	445	+6.1
Koor p	5750000	1	+7.4
Clal Inds.	1250	8692	+2.9
Investment Companies			
IDB Dev. r	3690	1816	+4.3
Ellern	3190	3051	+10.0
Afik 1	no trading		
Gahelet	1340	484	+6.3
Israel Corp. 1	8400	1568	+3.1
Wolfson 1 r	108000	3	–3.6
Hapoalim Inv.	5450	849	+2.9
Leumi Invest.	no trading		
Discount Invest.	2170	2111	–
Mizrahi Invest.	15700	6	–
Clal 10	747	10483	–
Landeco 0.1	8100	235	+1.3
Pama 0.1	9580	69	+1.9
Oil Exploration			
Paz Oil Expt.	12800	118	+2.4
J.O.E.L.	1520	1717	+2.6

Abbreviations:
s.o. sellers only **b bearer**
b.o. buyers only **r registered**

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Reconnoitering in Helsinki

THE TALKS between Israeli and Soviet officials scheduled to start in Helsinki today – the first such formal talks since the Kremlin cut off ties with this country over 19 years ago – will be in the nature of diplomatic reconnaissance. Speculation about the direction they may eventually take is, therefore, risky.

All that is known for certain at the moment is what became public two weeks ago: that the Soviet government is keen on sending a consular mission to Israel that would take an inventory of Russian Orthodox Church property here, and deal with routine consular matters as well. Whether such a mission would be temporary or permanent is unclear. Israel let it be known at the time that its consent would hinge on the reciprocal despatch of an Israeli consular mission to Moscow.

The assumption – based on a somewhat vague statement made by the Soviet Foreign Ministry's spokesman – has been that the Russians may propose an exchange of regular consular missions, but not embassies. But this still remains a mere assumption. While it stands to reason that the Kremlin has some longer-range plans that go beyond Church properties, their precise thrust is a mystery.

By the same token, if Israel's government has any clear idea of what it proposes to entrust even a temporary consular mission to Moscow with, it is keeping the plan close to its chest.

On the face of it, nothing could be more obvious: there are 800 Israeli citizens in the Soviet Union, with whom contact should be made by Israeli diplomats on arrival in the Soviet capital, just as Soviet diplomats, if they arrive in Jerusalem, would wish to get in touch with their nationals in Israel. But there's the rub. The Soviet Jews who have during the past 15 years been granted Israeli citizenship as a gesture of encouragement from home, without leaving their native land, are treated by the Soviet authorities as Soviet, and nothing but Soviet, citizens.

The official reason is simple, and seemingly non-discriminatory. Soviet law does not recognize a category of dual citizenship.

More importantly, there are some 400,000 Jews in the Soviet Union who have requested and received official Israeli invitations to be repatriated to the Jewish state under the family reunification programme. An estimated 10,000 among them – the so-called refuseniks – have had their application for aliya turned down, repeatedly, on such grounds as their possession of 10-year-old "state secrets," which Mikhail Gorbachev himself has conceded do not exist.

It would be perfectly in style for the Soviets to argue that all these Soviet Jews – let alone the Prisoners of Zion in Soviet jails and labour camps – are no concern of Israel's or its diplomats. In Helsinki, the Soviet delegation will doubtless deny that there is any Jewish question in its country, and while it need not object to the Israeli delegation offering the opposite thesis, it will refuse to have the issue of aliya placed on the agenda.

If progress towards a gradual normalization of Israel-Soviet ties is not thus to grind to a halt before it has even begun in real earnest, the ground-rules for a new relationship will have to be settled; though not necessarily in Helsinki within the next two days.

On one point both countries seem already to agree: linkage is essential. But while Israel will presumably insist on linking any step towards normalization to increasing freedom of aliya, and to a more even-handed Soviet policy in the Middle East, the Soviet Union will most likely try to make any such move dependent on Israel's abstention from "interference in internal Soviet affairs," and Israel's acceptance of a major Soviet role in Middle East diplomacy.

Agreement will not come easily, at best. However, in both the Soviet Union and Israel there are forces that oppose even the tentative start of a dialogue on possible ground-rules.

The scurrilous anti-Israel attack over the weekend by the Novosty news agency was in fact underhanded criticism of Mr. Gorbachev for launching "political negotiations" with "expansionist" Israel. The brothers-under-the-skin of the Soviet rejectionists are those ex-Soviet Israeli citizens who held up traffic at the centre of Jerusalem yesterday for half an hour, calling on the government not to talk to the Russians unless they consented in advance to fling their gates wide open to aliya.

Their slogan is, in effect, all or nothing. If the government were to endorse their advice, all Israel – and Soviet Jews – would get is exactly nothing.

POSTSCRIPTS

P.S. THE U.S. Drug Enforcement Administration is to approve marketing of a synthetic marijuana pill used by cancer patients undergoing chemotherapy.

A Drug Enforcement Administration spokesman says that the DEA will allow for prescription use of the anti-nausea drug called "Marinol" made of synthetic THC (Tetrahydrocannabinol) derived from marijuana.

Marinol will be marketed in capsule form by Unimed Inc., a New Jersey company.

Previously, marijuana was considered by the U.S. drug-control agency to be without recognized medical value and classified as a narcotic not usable for any purpose.

Several studies have demonstrated, however, that marijuana and THC are effective in countering the nausea and vomiting often experienced by chemotherapy patients.

A ride into town

Marlin Levin

NOW it's fatal traffic accidents. Last week it was the Shin Bet affair. Can anybody remember the Iran arms-smuggling sting, much less the Pollard case? And what about all the hysteria over U.S. funds for the Lavi?

As I wait for the red light to change, I think how cruel we as a society are to ourselves.

"What's wrong with us?" I asked my neighbour, the psychology professor, the other day.

"Our basic problem is that we are trying to do too much with too little. We are over-extended."

How right he is.

The universities are one good example. They can call on large donations to construct new buildings, but they starve for funds to maintain those buildings.

None of the ministries has enough money to maintain its programmes. But money is not the key word. Manpower is. If Israel is to fulfil its national expectations and goals, it simply needs more people. People create money; money does not create people...

THE TRAFFIC light changes to green. I put the car into second to climb the hill, and just as I reach the top the little Fiat in front of me, without warning, stops dead in its tracks to let a lady passenger out. Luckily, I have kept my distance and can take measures to avoid hitting it.

Until the next light a block away, traffic flows smoothly. Waiting for the change of lights, I recall that Ben-Gurion once said that Israel could not really call itself a state until it had a population of at least eight million. In those days, immigrants were flowing in by the tens of thousands and everyone hoped for a steady increase of about 100,000 a year. Expectations...

THE LIGHT changes. A red-and-white Egged bus stands nearly in the middle of the narrow, crowded street as I cross the intersection. Cars are parked on both sides, making things worse. Impatient drivers in back begin honking because they are caught blocking the intersection when the traffic light blinks to yellow then red.

Somehow the congestion straightens itself out as the bus inches forward, and we are off again. Halfway up the block, an elderly pedestrian begins crossing between the cars and is bewildered by the two-way traffic. I stop and signal her to cross.

The next light is red, too. This is one of the biggest and busiest intersections in Jerusalem. A tender tries to cut into the left lane from the right and blocks two lanes in the process. A motorcycle, sounding more like a power-drill than a vehicle, roars up on my right. I tell the teenage driver he is endangering both our lives when he passes on the wrong side. He says, "You're right."

The long-term solution to our traffic problems is basically the same as the solution to all the problems that arise from trying to develop a modern state in pressure-cooker time with meagre human and financial resources. Put simply, we need more shoulders to carry the load.

I think of all the things we are trying to do simultaneously and how we complain when we fail: construct highways, develop a 21st-century jet, give free education, erect fancy hotels and office buildings, settle the West Bank and the Galilee, do liver and heart transplants, get into the world soccer finals.

Has everyone gone mad? No. Just neurotic from trying to catch up on 2,000 years in 40...

THE GREEN light smiles and the line jolts forward. A Mercedes taxi-driver to my left steps on the gas to prevent the tender from moving in ahead of him. That holds up our lane. While we wait, the yellow comes on and in computer speed, the red.

This instantaneous change puts the Renault in front of me in a quandary. The driver has begun to cross the zebra stripes as cars to his left and right are set like 100-yard dashers to race across the big square. He panics, hits the accelerator and screeches across the wide intersection. Onrushing traffic, from his left and right, barely misses him as he careens around the corner. I wait for the next change.

So what's the solution? Perhaps we should trim our expectations down to our real size and capacities. Perhaps Israel does not, after all, have to be the model for the world in everything. Perhaps. Or if we want to retain our expectations, then let us put our house in order, set up a long list of priorities and work according to them – one, two, three, four.

It stands to reason that if we don't, something, somewhere has to give. Thefts, drugs, drunken driving, bankrupt companies, increased unemployment, wild inflation, high emigration, low immigration. These are all symptoms of an over-anxious, over-extended society. One thing for sure, the price just isn't worth it.

THE LIGHT is now green. I cross and start down the hill. Out of the corner of my eye, on the pavement to my right, I see a kid of about 10 raising his arm and aiming it in my direction. Instinctively, I swerve slightly but do not cross the white line. He laughs because he has succeeded in making me think he is throwing something, when in fact he has nothing in his hand. The car approaching the opposite lane also swerves, because he thinks I am swinging into his lane. He is angry because he does not understand why I swerved, and shouts at me as he passes.

Fortunately, I find a parking space. I back into it, cut my engine and pull on the emergency brake. Suddenly I am jolted by a bump in the back. The Volkswagen driver maneuvering into the space behind me hits my bumper. My seat belt is still on so I am okay. I lock the door and wait till the driver leaves her car. As she walks past, I frown.

"I didn't do any damage to your car," she says tensely.

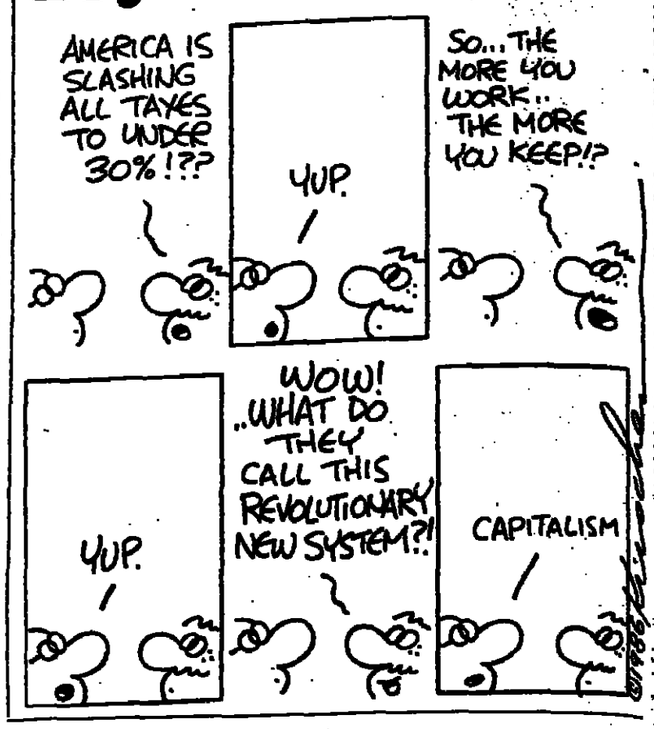
"No. But a 'forgive me' might be nice," I quip.

"I didn't hurt you," she insists. She thinks for a moment. "I'm sorry," she adds huffily and races on.

Like I said, we're all over-extended.

The writer is a Jerusalem journalist who has held a driving licence for 30 years.

Dry Bones



Secularists and intermarriage

Yitzhak Korn

THE STATE of Israel has, of late, been subject to the increasing tension between religious extremists (*Haredim*) and secularists who are engaged in a cultural war. The crimes of the ultra-Orthodox, such as the burning of bus stops, stone-throwing and other acts of violence, and the secular extremists' firing of a synagogue, prove that the antagonism is reaching a dangerous peak.

Central forces in Israeli society, and among them the leaders of both secular and religious circles, have taken the initiative in attempting to smother this flame of antagonism, but no one who values the future of the state can ignore the phenomenon of Israeli society. It is difficult to say whether we shall soon find the essential key to reasonable understanding and co-existence. It seems that this will only be achieved through a laying down of arms on both sides.

There is no need, especially now, to dwell on the difficult situation the ultra-Orthodox have created in the religious system of Israel. If there were a moderate and reasonable stream within the ultra-Orthodox camp itself founded on the values of religious Zionism, it would help to limit the current trend towards extremism.

Some serious sectors have demonstrated a willingness to broaden their perspective, the National Religious Party, for example, has embarked on a reorganization for this purpose. Admittedly, its recent convention did not do much to improve the situation. Unfortunately, the party has persistently failed to return to the constructive role it filled within Israeli society for decades.

THE SECULAR camp must also undergo collective therapy in order to help the recovery of Israeli society. It also contains some extremist negative elements which fail to help in sustaining the people and the nation. Although they are clearly a minority, it has fortunately been perceived in time that even a small group may upset the balance of a society.

It must be stressed that the secularist camp is not completely devoid of all traces of Jewish tradition, and that it still maintains values based in Judaism. Whoever has the survival of the Jewish people at heart must understand that this tradition is an essential factor in the life of the entire people: it is not a monopoly of the religious camp; but those who reject any form of contact with Jewish tradition lay the foundations of major divisions and polarization within the nation.

THERE IS another type of secularist who tries peacefully to develop a new perspective. Such a one is Mr. Gershom Schocken, editor of *Ha'aretz*, who points out that since, in the 38 years of its existence, the State of Israel has not succeeded in achieving understanding with the Arabs, we Israelis should break down the barriers between our Jewish and Arab citizens and encourage intermarriage between them.

The response that intermarriage will bring about the destruction of the Jewish people, both in Israel and in the Diaspora, leads Schocken to argue that if we want to take our full place in Western society, and especially in the United States we should not object to intermarriage. In his opinion, we would never have achieved key positions in American society were it not for marriages between Jews and gentiles.

Rabbi Arthur Hertzberg, who does not accept Schocken's opinion, pointed out in a recent article, that the reality in America proves that talented Jews have achieved key positions without necessarily intermarrying. Among them are even Orthodox Jews employed in central government positions.

While it is true that there is a great deal of intermarriage in America, this is caused mostly by the weakness of those Jews who fail to apprehend and maintain the true dimension of Judaism that lies in its national identity.

SCHOCKEN'S proposal goes in two directions, both of them dangerous and destructive.

First, there is the "regular" Jew, who has a national foundation and wants himself and his family to continue to be a part of the Jewish people. He will find in Schocken's proposal a threat to the existence of his people, and even if he is moderate and reasonable to start with, he will be drawn, out of apparent necessity, to the extremist camp.

Secondly, Schocken's type of proposal will be the primary cause of the assimilation of the Jews of the Diaspora. The success of assimilation along with an "encouraging message" such as this, especially coming from Israel, will create a situation of anarchy. The "peaceful" method of secularists, completely devoid of violence, is no less dangerous than any other form of extremism in Israeli society.

The moderate secularists are becoming the majority both in Israel and in the Diaspora. If we do not consider in time the dangerous threat that confronts us from the small and even "peaceful" extremist groups within the secularist camp, our failure to take a stand against the destructive development will be unforgivable.

The writer has been active in the Labour Zionist movement.

READERS' LETTERS

HELP FOR DISABLED

To the Editor of The Jerusalem Post

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Cordially,

Arye L. Dulzin
Chairman

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